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INSURANCE FACTS

1981-82 Edition

- Property
- Liability
- Marine
- Surety

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PROPERTY/LIABILITY INSURANCE AT A GLANCE

The property/liability insurance business early in 1981 comprised 2,953 individual companies which operate in a highly competitive environment. Although about 900 of those companies write most of the business, no single company has more than 7.5 per cent of the market.

In 1980, property/liability insurance companies employed some 490,500 persons, according to government statistics. An additional 654,100 persons were engaged in agency or brokerage operations and insurance service organizations on behalf of the insurance industry as a whole, including the property/liability, life and accident and health segments.

Operating Results, Property/Liability Insurers, 1978-1980 (000 omitted from dollar figures)

	1980	1979	1978	% Change 1979-1980	% Change 1978-1979
Assets	$197,660,794	$174,227,967	$149,097,274	+ 13.4	+ 16.9
Net Premiums Written	95,579,549	90,122,619	81,689,931	+ 6.1	+ 10.3
Statutory Underwriting Gain/Loss	(1,712,423)	23,606	2,548,143	−7,354.2	− 99.1
Policyholder Dividends	1,621,545	1,324,377	1,251,811	+ 22.4	+ 5.8
Net Underwriting Gain (Loss)	(3,333,968)	(1,300,772)	1,296,332	156.3*	−200.3
Net Investment Income	11,063,492	9,279,235	7,289,554	+ 19.2	+ 27.3
Operating Earnings After Taxes	7,136,852	7,082,690	7,197,199	+ .8	− 1.6
Policyholders' Surplus	52,196,381	42,456,101	35,378,833	+ 22.9	+ 20.0
Premium to Surplus Ratio	1.83 to 1	2.12 to 1	2.31 to 1		
Dividends to Stockholders	$ 2,233,660	$ 1,759,800	$ 1,384,854	+ 26.9	+ 27.1

**Net underwriting loss was 156.3 per cent greater in 1980 than in 1979.*

Source: Best's Aggregates & Averages.

INSURANCE FACTS
1981-82 Edition

This yearbook is intended to provide some basic facts relating to the property and liability insurance business for editors, writers, speakers, teachers, students, insurance people and others.

Insurance Facts is published annually by the Insurance Information Institute, an educational, fact-finding and communications organization for the property and liability insurance business. The Institute is supported by more than 200 insurance companies, both stock and mutual, and also provides public relations services to other organizations in the fields of property, liability, fidelity, surety and marine insurance.

The cooperation of other insurance organizations, governmental agencies and commercial publishers of insurance data has helped to make this yearbook possible. We are particularly grateful to A.M. Best Company, Inc., for making available some of its compilations of insurance statistics; to the National Fire Protection Association for permitting us to publish certain of its copyrighted data concerning fire losses, and to the National Safety Council for its cooperation in providing certain accident-related data.

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1 Scope of the Business

AN OVERVIEW OF INSURANCE

The business of insurance in the United States is divided into three broad categories: life insurance, health insurance and property and liability insurance. Altogether it provides nearly 1.9 million jobs and has responsibility for assets which at the end of 1980 totaled approximately $677 billion. But its greatest significance in the American economy is as an absorber of personal and business risks.

The property and liability segment of the insurance business is responsible for assets which at year-end totaled about $197.7 billion. It provides hundreds of forms of financial protection against virtually every known peril.

Data from U.S. government sources indicate that property and liability insurance companies employed some 490,500 persons, on the average, in 1980. Those and other sources estimate that another 654,100 persons are engaged in agency or brokerage operations and insurance service organizations, but do not distinguish between personnel employed in the life insurance or health insurance business and those with responsibilities in the property and liability field.

There are nearly 4,900 insurance companies domiciled in the U.S. Some of these companies sell all lines of insurance; many specialize in one or more fields. Some 2,953 companies sell some form of property and liability insurance, and related lines, including inland marine coverages and surety and fidelity bonds. A vast majority of the business is written by about 900 companies that operate in all or most states.

The property and liability insurance business plays a major role in keeping the American economy moving. Insurance coverages backstop the extensive commercial and consumer credit system of our nation. Further, surety bonds are required on almost all public works and commercial construction, to protect against loss in the event the contractor fails to fulfill his or her obligations.

In large part because of insurance coverage, Americans—business owners and employees, home owners, housewives—have more financial protection and a greater sense of security than any people anywhere have ever enjoyed in the history of the world.

PROPERTY/CASUALTY INSURANCE IN 1980-81: A REVIEW

The property/casualty insurance business recorded after-tax earnings of $7.67 billion in 1980, but went deeper into the downside of the underwriting cycle as it registered a net loss of more than $3.33 billion on underwriting operations. The underwriting deficit was the second highest in the industry's history, exceeded only by a net underwriting loss of more than $4.2 billion in 1975.

The after-tax earnings were 3.9 per cent higher than the 1979 earnings of $7.38 billion.

The underwriting loss represented 3.55 per cent of earned premiums of $93.85 billion. This means that for every $100 the industry earned in premiums during 1980, it incurred $103.55 in losses and expenses. In 1979, a net underwriting loss of $1.3 billion represented 1.5 per cent of earned premiums.

Industrywide pre-tax earnings for 1980 were made up of net investment income of $11.06 billion, statutory underwriting losses of $1.71 billion, $1.62 billion returned to policyholders as dividends, and capital gains of some $532.6 million.

Written premiums of $95.58 billion in 1980 represented an increase of 6.1 per cent over 1979, a level well below the overall 1980 inflation rate. The result is seen to be indicative of a downward pressure on premium levels due to intensive competition in the insurance marketplace.

Policyholders' surplus, a gauge of the industry's financial strength, rose 22.9 percent in 1980 to nearly $52.2 billion.

Impact of Inflation

Inflation, again, was a factor for the insurance industry to reckon with. While the U.S. Department of Labor's Consumer Price Index recorded a 12.4 per cent increase in the overall cost of living from December, 1979 to December, 1980, auto insurance premiums rose only 7.3 per cent. Property insurance premiums, which take into account rising home values as well as changes in personal property insurance rates, went up 13.2 per cent.

CPI increases in costs of goods and services related to auto insurance claims included: auto maintenance and repair, 10.9 per cent; medical care, 10 per cent; physicians' services, 11 per cent, and hospital rooms, 13.9 per cent.

CPI increases in costs for which property insurance pays included: housing maintenance and repairs, 10.6 per cent; paint, wallpaper, supplies, tools and equipment, 14.5 per cent; lumber, awnings, glass and masonry, 6.8 per cent; plumbing; electrical, heating and cooling supplies, 8.8 per cent. Residential construction costs rose 9.9 per cent.

Major Sources of Losses

Crime, accidents, fire and catastrophes affect the property/casualty business each year:

• Insurers in 1980 paid claims totaling more than $1.1 billion (second highest total on record) for 51 catastrophes (major windstorms and other incidents causing insured losses of a million dollars or more each). The largest single insured loss, of $100 million, was produced by the MGM Grand Hotel Fire in Las Vegas in November.

• Although U.S. traffic accidents dropped by 9.6 per cent from 1979 to 1980, the resulting economic losses rose 2 per cent to some $57.5 billion.

• Property losses from fires rose 15.6 per cent in 1980 to $5.6 billion.

• Crimes against property were up 10.4 per cent in 1980. Dollar losses from robbery, burglary, larceny and vehicle theft were estimated at $9.03 billion, 28 per cent higher than the 1979 total.

Among other developments:

Congressional Actions

The 96th Congress, in session through 1980, considered many matters of interest to the insurance industry, but only two major pieces of legislation dealing with such matters were passed. One was the "superfund" legislation to clean up hazardous waste sites. The measure sets up a $1.6 billion fund with seven-eighths of the financing coming from a tax on the chemical industry and the rest from the federal government.

The second was the Crop Insurance Act of 1980. It converted the patchwork federal crop insurance program into an all-crop, all-risk program with heavy reliance on private insurers to sell and service the policies. Also, the law allows private insurers to offer their own all-risk policies backed by a federal reinsurance program.

Also in 1980, Congress amended Federal Trade Commission authorization legislation to limit severely that agency's relationship to the insurance industry. The FTC cannot initiate an investigation of the industry unless directed to do so by the Commerce Committee of the House or the Senate.

The controversy over auto airbags came to a head in 1980 when the House refused to approve a House-Senate conference report proposing requirements that airbags be offered in some models and that automatic seat belts be mandatory in new vehicles starting with 1983-model small cars. Meanwhile, auto makers have announced termination of their airbag research and development programs.

In late summer 1981, the 97th Congress passed the Risk Retention Act, which allows groups of related businesses to self-insure for product liability ("risk retention") or to form purchasing groups in order to buy product liability coverage at lower cost.

Arson

The property/casualty insurance industry continues to provide leadership in the nation's fight against arson, a crime whose cost in terms of property losses and human lives has been mounting steadily.

An important new tool for arson investigators was established by the insurance industry in 1980. The Property Insurance Loss Register (PILR), administered by the American Insurance Association, is the first national computerized registry of property loss claims. More than 250,000 fire loss histories have been entered into the system, with the information available to insurers investigating claims.

Also in 1980, the Insurance Committee for Arson Control (ICAC), which coordinates the industry's anti-arson program, developed a new property insurance application form to help insurers identify arson-prone properties before they are insured.

ICAC, in cooperation with the Insurance Information Institute, introduced a toll-free national arson hotline to provide people with information on how they can join the fight against arson by organizing community arson control task forces.

Liability

The Rand Corporation's Institute for Civil Justice, funded to a significant extent by the property/casualty industry, is into its second year of operation. Established to study the full range of civil justice issues, its first projects included: effects of the civil justice system on product safety, civil jury awards, liability and compensation systems, product warning standards, professional liability and the effects of federal mandates. It is anticipated that the Institute's work will aid in streamlining the system and in the development of reforms of tort law.

Insurers, manufacturers and lawyers watched with intense interest as a new philosophy of product liability was developed in the spring of 1980. The California Supreme Court, in the Sindell decision, ruled that manufacturers of an apparently dangerous drug may be held liable in proportion to their share of the market, even though an injured plaintiff cannot identify the manufacturer whose drug caused harm. The case involved DES, a drug prescribed to prevent miscarriage but which apparently is carcinogenic. The ruling was appealed to the U.S. Supreme Court, which late in 1980 decided not to hear the appeal and thereby let the decision stand.

Workers' Compensation

Laws permitting insurers to establish and put into effect workers' compensation insurance rates without prior regulatory approval were enacted for the first time in two states in 1981. Oregon's new open competition law will become effective in July, 1982, while a similar law in Minnesota will be phased by mid-1982.

PROPERTY-LIABILITY INSURANCE COMPANIES BY STATE

The property and liability insurance business in the United States comprised 2,953 individual companies early in 1981, according to information provided by the insurance departments of the various states. Of those companies, about 900 operate in all or most states and among them write a vast majority of the business. The other, smaller companies perform vital insurance services limited to persons in sharply defined geographical areas or to persons who are members of specialized groups, such as farmers.

Home offices of the companies are scattered among the 50 states and the District of Columbia. Thirty states house 30 or more companies each.

The greatest number of companies have their home offices in Illinois — 286. There are 213 insurance companies headquartered in New York, 209 in Texas, 203 in Pennsylvania, and 201 in Wisconsin.

The number of property and liability insurance company home offices in each state is listed below.

Property-Liability Insurance Companies By State, 1981

State	Home Offices	State	Home Offices
Alabama	21	Missouri	79
Alaska	9	Montana	5
Arizona	16	Nebraska	35
Arkansas	28	Nevada	2
California	134	New Hampshire	30
Colorado	47	New Jersey	40
Connecticut	38	New Mexico	25
Delaware	92	New York	213
District of Columbia	14	North Carolina	55
Florida	44	North Dakota	39
Georgia	31	Ohio	151
Hawaii	11	Oklahoma	56
Idaho	5	Oregon	12
Illinois	286	Pennsylvania	203
Indiana	103	Rhode Island	17
Iowa	48	South Carolina	24
Kansas	34	South Dakota	57
Kentucky	34	Tennessee	48
Louisiana	20	Texas	209
Maine	23	Utah	8
Maryland	30	Vermont	14
Massachusetts	45	Virginia	42
Michigan	49	Washington	23
Minnesota	175	West Virginia	19
Mississippi	6	Wisconsin	201
		Wyoming	3

Source: State Insurance Departments.

EMPLOYMENT IN INSURANCE

Employment in all segments of the insurance business in the United States increased by about 3 per cent in 1980. The number of persons employed by companies in the property/casualty sector rose 2.9 per cent.

Data compiled by the U.S. Department of Labor show that industry-wide employment rose from 1,644,000 in 1979 to 1,694,500 in 1980. The data include increases from 476,700 to 490,500 in property/casualty company personnel, and from 430,700 to 454,100 in the number of agents, brokers and service personnel in all segments of the insurance business. However, according to the American Council of Life Insurance, the government data do not include a significant number of independent agents and agency staff employees—an estimated 135,000 in 1979 and 200,000 in 1980.

Since 1970, employment industry-wide has climbed by some 30 per cent, while employment among property/casualty companies has risen by 34 per cent.

Separate data compiled by the Equal Employment Opportunity Commission show that:

- members of minority groups constituted 16.5 per cent of insurance personnel in 1979, up from 10.7 per cent in 1970 and 13.7 per cent in 1975.
- women constituted about 60.9 per cent of the insurance industry workforce in 1979, as compared with 55 per cent in 1970 and 57.5 per cent in 1975.
- the percentage of women employees classified as insurance officials or managers more than doubled from 1970 (10.8 per cent) to 1979 (23.8 per cent).
- women comprised 38 per cent of all professional employees in insurance in 1979 (up from 16.9 per cent in 1970 and 28 per cent in 1975) and 65.3 per cent of insurance technicians (up from 38.4 per cent in 1970 and 53.5 per cent in 1975).

Employment in Insurance 1970-1980
(Annual Averages)

	Property/Casualty Companies	Other Companies	Agents, Brokers & Service Personnel	All-Industry
1970	365,800	663,900	430,300	1,460,000
1975	385,400	699,900	554,700	1,640,000
1976	399,400	701,900	573,700	1,675,000
1977	429,000	717,000	544,000	1,690,000
1978	460,600	733,200	582,200	1,776,000
1979	476,700	736,600	625,700	1,839,000
1980	490,500	749,900	654,100	1,894,500

Sources: Company data, Bureau of Labor Statistics, U.S. Department of Labor; agents, brokers and service personnel and all-industry figures, Bureau of Labor Statistics data adjusted to account for American Council of Life Insurance estimates of additional independent agents and staff personnel.

THE WORLD INSURANCE MARKET

The United States' share of the world insurance market dropped slightly in 1979, to 44.6 per cent from 45.2 per cent in 1978, although the U.S. premium volume was greater than that of the next nine leading nations combined. The data are reported annually by the North American Reinsurance Corporation, whose compilations account for about 99 per cent of the total world premium volume.

A 9.1 per cent increase in U.S. premium volume from 1978 to 1979 contrasted with such increases (in U.S. dollars) as 30.7 per cent in Great Britain, 21 per cent in Italy, 19 per cent in France and 13.5 per cent in Switzerland. Although the premium figure for Japan, in U.S. dollars, was lower than that of 1978 because of a jump in the currency conversion rate, that nation actually recorded a 14 per cent increase in premium volume in terms of its national currency.

The economic significance of the insurance industry in the United States, measured in terms of its relationship to the gross national product, continued to be impressive. The nation's world-leading ratio of premiums to the GNP stood at 7.25 in 1979, down slightly from the 1978 ratio of 7.54.

On a premiums per capita basis, Switzerland was the world leader in 1979 at $1,017. The United States was second, at $795.30.

World premium volume increased by 10.4 per cent from $355 billion in 1978 to $392 billion in 1979, according to the North American Reinsurance Corporation report. The table below lists the 10 leading insurance countries, based on the total premium income from direct domestic business of all national and foreign insurers.

The World's Leading Insurance Countries in 1979
(Premiums in Millions of U.S. Dollars)

Position	Country	Non-Life Premiums*	Life Premiums	Total Premiums	Percentage of Total World Premiums
1	United States	$118,017	$ 57,022	$175,039	44.65
2	Japan	14,657	30,667	45,324	11.56
3	W. Germany	24,813	16,588	41,401	10.56
4	Great Britain	11,898	12,704	24,602	6.28
5	France	16,141	5,890	22,031	5.62
6	Canada	6,791	4,455	11,246	2.87
7	Netherlands	5,216	3,438	8,654	2.21
8	Italy	5,889	939	6,828	1.74
9	Switzerland	3,250	3,187	6,437	1.64
10	Australia	4,031	2,005	6,036	1.54

**Including accident and health*

Source: North American Reinsurance Corporation.

OWNERSHIP OF INSURANCE

More than nine of every 10 American home owners and car owners carry insurance to protect themselves against potentially disastrous financial losses, according to a countrywide survey by the Insurance Information Institute in March, 1981. Generally, the findings varied only slightly from those of a similar study conducted a year earlier.

The study indicated that 71 per cent of U.S. households own, and 29 per cent rent, their residences. Of the owner-occupied homes, about 94 per cent are covered by fire insurance. The study made no distinction between those who purchase homeowners package policies, which cover many other perils as well as fire, and those who purchase separate fire insurance policies.

Some 83 per cent of the home owners said they insure their household contents. Only 5 per cent of home owners said they carried neither fire nor household contents coverage.

Among households that rent, 22 per cent reported carrying fire insurance and 25 per cent said they insure their household contents. The percentage who have insurance protection is higher among those who rent private homes than those who occupy apartments.

The study indicated that 92 per cent of all car owners have automobile insurance. Ownership of insurance fell off from 96 per cent in 1980 to 88 per cent in 1981 among car owners in rural areas, but increased among urban and suburban residents. While only 86 per cent of car owners in the 18-29 age bracket said they carry auto insurance, the range was from 93 per cent to 97 per cent among older age groups.

Auto Insurance Coverage Reported by U.S. Car Owners, 1981

By Age Group	Total U.S.	18-29	30-39	40-49	50-59	60 & Older
Have Insurance	92%	86%	93%	97%	95%	95%
Do Not Have Insurance	8%	14%	7%	3%	5%	5%

By Place of Residence	Total U.S.	Urban	Suburban	Rural
Have Insurance	92%	92%	95%	88%
Do Not Have Insurance	8%	8%	5%	12%

Source: Insurance Information Institute

Insurance Coverage Reported by U.S. Households, 1981

	Own Residence	Rent Residence		
	Total*	Total	Home	Apartment
Per cent of Households Who Have:				
Fire Insurance	94%	22%	29%	15%
Household Contents Insurance	83%	25%	30%	20%
Both	82%	16%	22%	12%
Neither	5%	70%	63%	76%

**Including about 1 per cent who own cooperatives or condominiums.*

Source: Insurance Information Institute

2 Dollars and Cents of the Business

NET PREMIUMS WRITTEN BY LINE

Total premiums written by insurance companies in 1980 in the U.S. for all types of insurance approximated $190 billion.

Purchases of property and liability insurance increased about 6.1 per cent in 1980. Net premiums written* by property and liability companies totaled nearly $95.6 billion in 1980.

Approximate premium totals for principal property, liability and allied lines of insurance in 1979 and 1980 are tabulated below, along with the percentage of change in premium volume in each of those lines in 1980.

Net Premiums Written, Principal Lines, 1979-1980

	1980	1979	% Change
Auto Liability, Pvt. Passenger	$18,590,373,000	$17,385,444,000	+ 6.9
Auto Liability, Commercial	4,728,913,000	4,716,903,000	+ .3
Total Auto Liability	$23,319,286,000	$22,102,347,000	+ 5.5
Auto Physical Damage, Pvt. Passenger	$13,086,150,000	$11,909,408,000	+ 9.9
Auto Physical Damage, Commercial	2,746,853,000	2,628,293,000	+ 4.5
Total Auto Physical Damage	$15,833,003,000	$14,537,701,000	+ 8.9
Total, All Automobile	$39,152,289,000	$36,640,048,000	+ 6.9
Medical Malpractice	$ 1,275,603,000	$ 1,204,326,000	+ 5.9
General Liability	6,416,671,000	6,612,474,000	− 3.0
Total Liability (other than auto)	$ 7,692,274,000	$ 7,816,800,000	− 1.6
Fire Insurance and Allied Lines	$ 4,787,522,000	$ 4,780,650,000	+ .1
Homeowners Multiple Peril	9,820,753,000	8,791,661,000	+ 11.7
Farmowners Multiple Peril	554,759,000	518,569,000	+ 7.0
Commercial Multiple Peril	6,885,834,000	6,666,822,900	+ 3.3
Workers' Compensation	14,238,646,000	13,164,144,000	+ 8.2
Inland Marine	2,291,294,000	2,061,306,000	+ 11.2
Ocean Marine	1,068,904,000	1,008,816,000	+ 6.0
Surety and Fidelity	1,247,640,000	1,155,188,000	+ 8.0
Burglary and Theft	135,727,000	140,071,000	− 3.1
Crop-Hail	416,577,000	395,855,000	+ 5.2
Boiler and Machinery	292,624,000	282,795,000	+ 3.5
Glass	32,248,000	33,457,000	− 3.6
Aircraft	171,206,000	147,085,000	+ 16.4
Accident and Health	3,290,764,000	3,179,250,000	+ 3.5
Other Lines	3,917,065,000	3,735,957,000	+ 4.9

**Net Premiums written represent premium income retained by insurance companies, direct or through reinsurance, less payments made for business reinsured.*

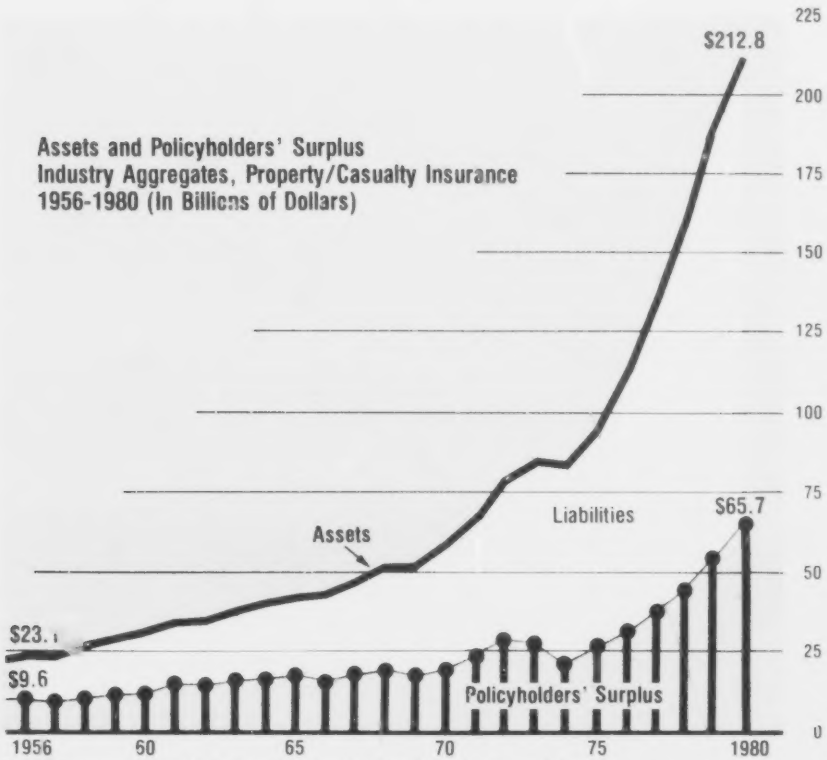
Sources: Best's Aggregates & Averages; National Crop Insurance Association.

ASSETS AND POLICYHOLDERS' SURPLUS

An idea of the strength and reliability of the property and liability companies may be gained from a review of their assets and policyholders' surplus. The surplus is the sum remaining after liabilities are deducted from assets, and includes such sums as paid-in capital and special voluntary reserves. It provides additional financial protection to policyholders in the event of unexpected or catastrophic losses.

Traditionally, assets and policyholders' surplus have been reported in terms of aggregate totals, with the result that the industry-wide figures have included some duplications because of interownerships within company groups. Since these figures have been reported consistently on the same basis, however, they provide a clear reflection of historical trends. The graph below, which is based on the aggregate figures, shows that while the industry's assets have been climbing steadily, liabilities have been increasing at a greater rate than surplus.

The graph also shows that over the years there have been some fluctuations in the policyholders' surplus account. The biggest single-year decline occurred in 1974, when a $6.2 billion drop in the overall surplus account was attributed to depressed market values of securities combined with underwriting losses of more than $2.64 billion. Deflated securities values had been blamed for a lesser decline in 1973.



Source: Insurance Information Institute, based on data from Best's Aggregates & Averages

Assets and Policyholders' Surplus (continued)

Consolidated totals, computed by eliminating interownerships, provide a more accurate picture of the industry's financial position. The table below reflects an increase of 23 per cent in policyholders' surplus from 1979 to 1980 and an increase of more than 110 per cent since 1976. Assets, up 13.4 per cent in 1980, have risen by some 87 per cent since 1976. Most of these assets are invested in government, industrial and utility bonds, high grade stocks and to some extent, in the real estate which the companies use for their own offices.

Consolidated Assets and Policyholders' Surplus 1976-1980

	Assets	Policyholders' Surplus
1976	$105,586,000,000	$24,678,013,141
1977	126,613,185,351	29,300,386,435
1978	149,097,273,952	35,378,833,175
1979	174,227,967,482	42,456,100,830
1980	197,660,794,250	52,196,380,693

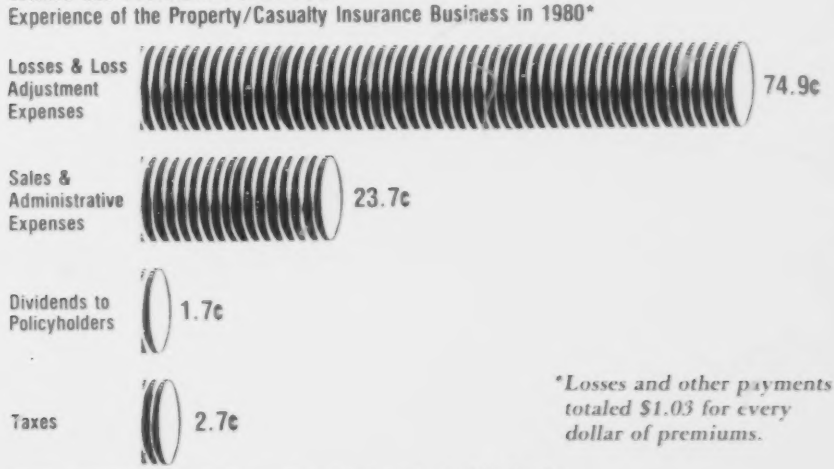
Source: Best's Aggregates & Averages

WHERE THE PREMIUM DOLLAR GOES

Losses and the expenses involved in adjusting claims accounted for nearly 75 cents of every premium dollar taken in by property and liability insurers in 1980. The overall cost of underwriting operations in 1980 amounted to the equivalent of $1.03 for every dollar in premiums, although the underwriting operations are intended to yield a reasonable profit.

Even in unprofitable years, some companies pay dividends to commercial policyholders that reflect their favorable loss experience, or dividends that reflect the total loss experience of certain lines of insurance.

Where the Premium Dollar Goes
Experience of the Property/Casualty Insurance Business in 1980*



**Losses and other payments totaled $1.03 for every dollar of premiums.*

Source: Insurance Information Institute, based on data provided by A.M. Best Co.

OPERATING RESULTS, PROPERTY/CASUALTY INSURERS

Profits and losses of property and casualty insurance companies, particularly in recent years, have been subject to greater fluctuations than those of such other industries as banks, utilities and industrial companies. Separate analyses show that:

- The property/casualty business during the last quarter-century has recorded a net underwriting loss, after policyholders' dividends, of nearly $13.8 billion. The industry has shown profits on underwriting operations in only nine of the last 25 years and in only five of the last 15 years (table I).
- Investments of capital and surplus accounts, together with money set aside as loss reserves and unearned premium reserves, have generated income in those 25 years (table II), thus permitting companies to continue their insurance operations despite the frequent underwriting deficits.

I — Underwriting Results Property/Casualty Insurance Business 1956-1980

	Statutory Underwriting Gain/Loss	Policyholder Dividends	Net Underwriting Gain/Loss
1956	$ 92,971,026	$ 282,933,185	$ −189,962,159
1957	−130,332,479	278,731,164	−409,063,643
1958	205,980,164	281,340,460	−75,360,296
1959	426,979,850	299,492,435	127,487,415
1960	462,366,550	312,538,826	149,827,724
1961	482,088,786	317,267,523	164,821,263
1962	343,667,196	297,153,061	46,514,135
1963	−165,513,560	342,918,102	−508,431,662
1964	−325,722,907	346,383,390	−672,106,297
1965	−352,262,883	357,266,631	−709,529,514
1966	386,926,845	406,801,627	−19,874,782
1967	233,618,824	448,577,105	−254,958,281
1968	−148,223,790	420,525,267	−568,749,057
1969	−529,899,198	518,055,044	−1,047,954,242
1970	77,776,245	503,557,640	−425,781,395
1971	1,381,800,492	555,628,714	826,171,778
1972	1,797,933,814	736,282,724	1,061,651,090
1973	791,761,321	785,697,875	6,063,446
1974	−1,878,371,405	766,526,721	−2,544,898,126
1975	−3,593,959,232	632,833,443	−4,226,797,675
1976	−1,558,551,291	630,100,279	−2,188,651,570
1977	1,926,315,435	814,512,866	1,111,802,569
1978	2,548,142,724	1,251,810,856	1,296,331,868
1979	23,605,762	1,324,377,487	−1,300,771,725
1980	−1,712,423,071	1,621,544,714	−3,333,967,785

Source: Best's Aggregates & Averages.

Data provided by the National Association of Insurance Commissioners covering a 10-year period show that the industry's annual operating profit or loss (after income taxes and exclusive of capital gains) as a percentage of sales ranged from a 1.8 per cent loss in 1975 to a 5.9 per cent profit in 1978, then dropped to a 5.0 per cent profit in 1979 and a 4.4 per cent profit in 1980. The NAIC found that profits considered as a return on net worth, which were 14.3 per cent in 1971, fell to a low of 1.8 per cent in 1975, reached a high of 18.0 per cent in 1978 and fell off to 15.3 per cent in 1979 and 12.7 per cent in 1980.

II — Investment Income, Property/Casualty Insurers* 1956-1980

1956	$ 538,141,639	**1969**	$1,711,806,360
1957	579,681,952	**1970**	2,005,080,766
1958	618,356,555	**1971**	2,421,495,267
1959	684,701,752	**1972**	2,799,737,168
1960	767,895,538	**1973**	3,325,344,488
1961	813,163,277	**1974**	3,832,669,322
1962	883,630,622	**1975**	4,150,203,882
1963	947,022,329	**1976**	4,805,938,998
1964	1,031,931,888	**1977**	5,815,788,033
1965	1,131,625,619	**1978**	7,289,554,007
1966	1,217,979,544	**1979**	9,279,235,043
1967	1,351,764,288	**1980**	11,063,492,131
1968	1,511,509,149		

**Industrywide investment income, less investment expenses, before taxes. Figures for years prior to 1977 are aggregates and include some duplications because of interownerships within company groups. Totals from 1977 through 1980 have been consolidated to eliminate such duplications. Aggregate investment income figures for all years were used in the development of the second and third charts on page 17 in order to provide a consistent reflection of historical trends.*

Source: Best's Aggregates & Averages.

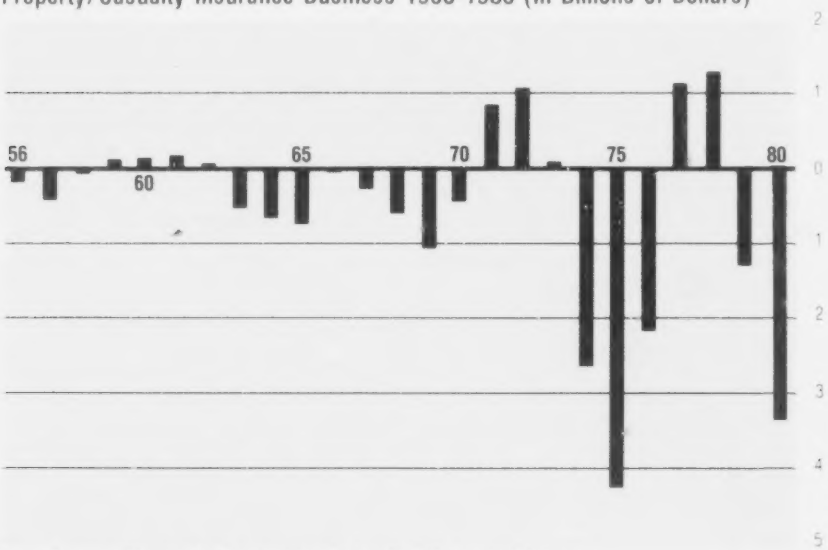
III — Combined Net Income* Before Taxes, Property/Casualty Insurers 1956-1980

1956	$ 348,179,480	**1969**	$ 663,852,118
1957	170,618,309	**1970**	1,579,299,371
1958	542,996,259	**1971**	3,247,667,045
1959	812,189,167	**1972**	3,861,388,258
1960	917,723,312	**1973**	3,331,407,934
1961	977,984,540	**1974**	1,187,771,196
1962	930,144,757	**1975**	76,593,793
1963	438,590,667	**1976**	2,617,287,428
1964	359,825,591	**1977**	6,927,590,602
1965	422,096,105	**1978**	8,585,885,875
1966	1,198,104,762	**1979**	7,978,463,318
1967	1,096,806,007	**1980**	7,729,524,346
1968	942,760,092		

**Includes both underwriting gains or losses and investment income.*

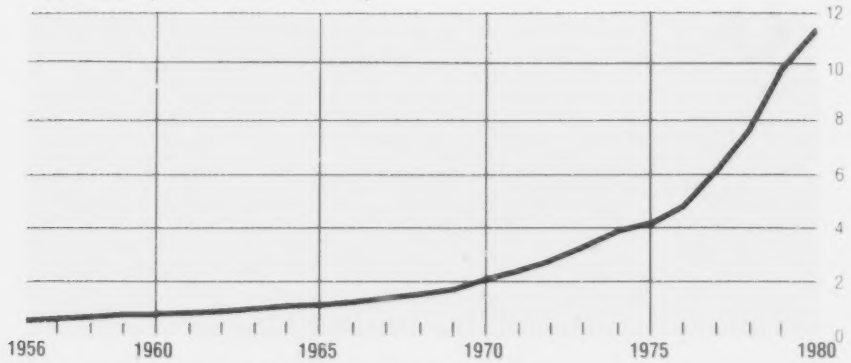
Source: Best's Aggregates & Averages.

Underwriting Gains/Losses After Policyholder Dividends
Property/Casualty Insurance Business 1956-1980 (In Billions of Dollars)



Source: Insurance Information Institute, based on data from Best's Aggregates & Averages.

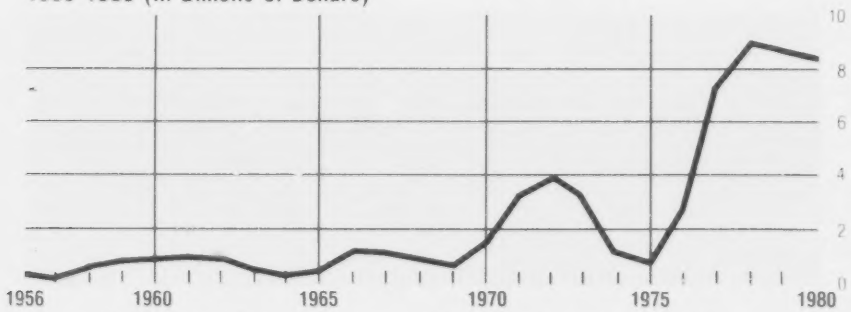
Investment Income, Property/Casualty Insurers*
1956-1980 (In Billions of Dollars)



**Industry aggregates less investment expenses; before taxes.*

Source: Insurance Information Institute, based on data from Best's Aggregates & Averages.

Combined Net Income* Before Taxes, Property/Casualty Insurers
1956-1980 (In Billions of Dollars)



**Includes both underwriting gains or losses and aggregate investment income.*

Source: Insurance Information Institute, based on data from Best's Aggregates & Averages.

PROFITABILITY, INSURANCE AND OTHER INDUSTRIES

The highly competitive nature of the property/casualty insurance business generally has held its profitability over the years below the average of all U.S. industries, although in some years it has outperformed other industries, including those which are financially oriented.

The table below, based on data compiled by Citibank of New York, compares the average annual rates of return on net worth of stockholder-owned property/casualty insurers, public utilities, commercial banks, service industries, manufacturers and all industries combined for the years 1971 through 1980 and for each of the last three 10-year periods.

For property/casualty insurers, the Citibank averages differ from those compiled by the National Association of Insurance Commissioners and reported in part on page 16. The rates of return computed by Citibank are after-tax profits as a percentage of net worth at the beginning of each year, and are based on the experience of capital stock companies only. NAIC's all-industry figures represent net income divided by mean net worth during the year.

Average Annual Rates of Return on Net Income After Taxes as Per Cent of Net Worth*, Selected Industries

Year	Property/ Casualty Insurance**	Public Utilities	Commercial Banks	Services	Manu-facturing	All Industries
1971	11.6	10.3	10.6	11.1	10.8	10.2
1972	7.3	10.3	10.5	12.1	12.1	10.6
1973	9.4	10.6	12.6	12.9	14.9	11.9
1974	5.9	10.4	10.7	13.5	15.2	12.3
1975	4.0	11.0	10.3	15.0	12.6	11.1
1976	11.3	11.5	12.2	18.1	15.0	13.2
1977	21.0	12.1	13.0	18.3	14.9	13.7
1978	20.9	12.1	14.7	21.2	15.2	14.7
1979	17.8	13.0	16.0	20.4	18.4	16.7
1980	15.4	12.8	15.1	20.4	16.6	15.2
1971-80 Ave.	13.1	11.4	12.6	16.3	14.6	13.0
1961-70 Ave.	4.2	10.6	9.3	13.0	12.1	9.9
1951-60 Ave.	5.5	9.5	8.4	11.0	12.5	10.4

**Net Worth at beginning of each year, equivalent to "book net assets" or stockholders' equity.*
***Capital stock companies.*

Source: Corporate Profits Tabulations, Economics Department, Citibank; 10-year averages computed by the Insurance Information Institute.

INVESTMENTS OF PROPERTY/CASUALTY INSURERS

The decade of the seventies saw a significant change in the investment portfolios of property/casualty insurance companies, with more and more emphasis on fixed-income securities.

From 1970 to 1980, the portion of those portfolios invested in bonds rose from 62.79 per cent to 73.72 per cent. Over the same period, holdings of preferred stocks increased from 3.37 per cent to 4.96 per cent. Portfolio holdings of common stocks declined from 33.28 per cent to 20.13 per cent in the ten-year period ended 1980.

Among the fixed-income securities, the sharpest increase was in holdings of special revenue bonds, which nearly doubled during the decade. Special revenue bonds include those issued by hospitals and colleges for expansion of facilities as well as for various public works programs, toll bridges and highways.

Funds used by property/casualty companies for investments are generally derived from three major sources: policyholders' surplus, unearned premium reserves and loss reserves. Property/casualty companies maintain the bulk of their funds in investments that can be sold readily—stocks and bonds, rather than general real estate—so that prompt payment of claims in the event of a catastrophe is assured.

Investments of Property/Casualty Insurers

	% in 1980	% in 1975	% in 1970
Bonds	**73.72**	**69.05**	**62.79**
U.S. Government	11.06	10.34	10.30
Other Government	.87	.51	.74
State, Municipal, Etc.	14.75	18.10	17.52
Special Revenue, Etc.	33.73	24.87	17.43
Railroad	.31	.37	.63
Utility	3.50	4.53	5.75
Miscellaneous	9.06	9.78	9.93
Parent, Subs., Affiliates	.44	.55	.49
Common Stock	**20.13**	**26.32**	**33.28**
Railroad	.13	.04	.15
Utility	1.61	2.03	3.97
Bank	.91	1.17	2.34
Savings & Loan	—	—	.03
Insurance	.78	.26	.43
Miscellaneous	12.08	10.92	17.17
Parent, Subs, Affiliates	4.63	11.90	9.20
Preferred Stock	**4.96**	**3.95**	**3.37**
Railroad	.05	.03	.03
Utility	3.43	3.14	2.01
Bank	.11	.02	.02
Insurance	.03	.01	.02
Miscellaneous	1.29	.65	1.17
Parent, Sub., Affiliates	.05	.10	.11
Other	**1.19**	**.67**	**.55**
Mortgages	.60	.28	.49
Collateral Loans	.06	.06	.05
Other Invested Assets	.53	.33	—

Source: Compiled by Insurance Information Institute based on data published in Best's Aggregates & Averages.

NET PREMIUMS WRITTEN, 1956-1980

Total net premiums written by property and liability companies for all lines, including accident and health, have risen from $11.1 billion in 1956 to nearly $95.6 billion in 1980. While many insurance groups have transferred their accident and health writings from their property and liability affiliates to their life insurance affiliates, accident and health premiums accounted for almost $3.3 billion of the total premiums written in 1980 by property and liability companies.

Total Net Premiums Written by Property and Liability Insurance Companies, 1956-1980 (000 omitted)

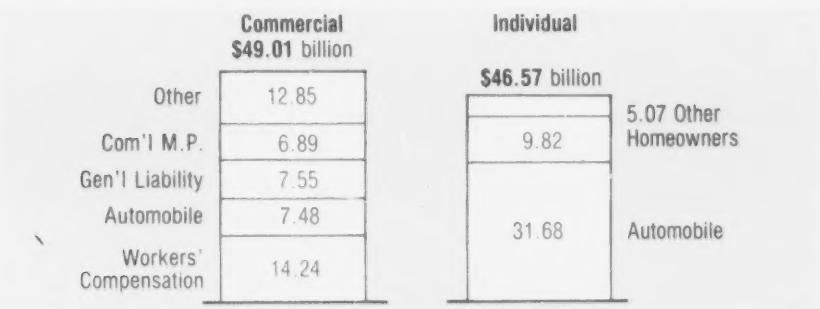
	Accident and Health	All Other	Total		Accident and Health	All Other	Total
1956	$ 915,624	$10,214,448	$11,130,072	**1976**	$2,120,152	$58,693,166	$60,813,318
1960	1,357,600	13,615,031	14,972,631	**1977**	2,316,734	70,080,195	72,396,929
1965	1,643,648	18,419,820	20,063,468	**1978**	2,627,884	79,062,047	81,689,931
1970	1,908,841	30,958,185	32,867,026	**1979**	3,179,250	86,943,369	90,122,619
1975	1,820,412	48,146,153	49,966,565	**1980**	3,290,764	92,288,785	95,579,549

Source: Best's Aggregates & Averages.

WHO PAYS THE PREMIUM DOLLAR?

Buyers of business insurance accounted for approximately 51.3 per cent of the $95,579,549,000 in net premiums written by property and liability insurers in the United States in 1980. Premiums paid by commercial purchasers amounted to an estimated $49 billion with the heaviest concentrations in workers' compensation, automotive coverages, general liability and commercial multiple peril "package" policies. Business insurance purchasers also control a large share of the billions of dollars spent each year for group accident and health insurance. Estimates of the property and liability insurance premiums paid by commercial and individual insurance purchasers are shown below.

Purchases of Property and Liability Insurance, 1980



Source: Insurance Information Institute, based on data provided by A.M. Best Co.

AUTOMOBILE INSURANCE

In the face of continually climbing medical, legal and automobile repair costs, a vast majority of America's 146 million motorists are recognizing the prudence of purchasing automobile insurance to protect themselves against financial hardship resulting from auto accidents.

Auto insurance, in fact, is the largest single classification of the property-liability business. The premium volume of some $39.15 billion recorded in 1980 was 6.9 per cent higher than that of the previous year and was more than double that of 1972, only eight years earlier. Auto insurance in 1980 accounted for about 41 per cent of the total premium volume written by property-liability insurance companies.

Automobile liability insurance comprises about 60 per cent of all auto insurance purchases. About half of the states today require their registered car owners to carry automobile liability insurance or to provide some other form of security.

This also is a form of insurance which is purchased primarily by individuals or family groups. In 1980, only about 19 per cent of all automobile insurance was purchased by industrial and other commercial buyers.

Premiums Written
1956-1980

Year	Auto Liability Insurance	Auto Physical Damage Insurance
1956	$2,684,270,000	$1,613,294,000
1960	3,882,917,000	1,993,929,000
1965	5,423,674,000	2,360,819,000
1970	8,958,243,000	4,823,564,000

	Private Passenger*	Commercial*	Private Passenger*	Commercial*
1972	$ 9,069,708,000	$2,306,215,000	$ 5,501,974,000	$1,051,965,000
1975	10,775,475,000	2,539,220,000	6,385,762,000	1,237,178,000
1976	12,899,103,000	3,152,478,000	7,987,438,000	1,577,822,000
1977	14,998,323,000	3,830,189,000	9,582,116,000	1,938,934,000
1978	16,047,775,000	4,335,232,000	10,540,718,000	2,294,195,000
1979	17,385,444,000	4,716,903,000	11,909,408,000	2,628,293,000
1980	18,590,373,000	4,728,913,000	13,086,150,000	2,746,853,000

**Totals were not broken down into these categories prior to 1972.*

Source: Best's Aggregates & Averages.

MULTIPLE PERIL INSURANCE

Until the mid-1950's, property owners had to buy a variety of insurance coverages separately in order to obtain full coverage against such perils as fire, windstorm, burglary and theft, and to protect themselves against liability claims. While most property owners purchased fire and extended coverage insurance, many failed to take advantage of other available forms of coverage. It was to help people more adequately safeguard their resources that insurers developed the homeowners, commercial and other "package" policies offering adequate coverage against a variety of perils at a cost lower than the combined costs of the individual coverages.

The success of the package policies has had a pronounced effect on the amount of insurance written in recent years on such separate lines as fire and extended coverage, liability (other than auto), burglary and theft, inland marine and glass because of the inclusion of such coverages in the package policies.

The rapid growth in popularity of the "package" policies is illustrated by a jump in homeowners premium volume from $240.7 million in 1957 to more than $9.8 billion in 1980, and a similarly spectacular rise, from $28.5 million to nearly $6.9 billion, in premiums written for commercial package policies. Farmowners multiple peril premiums, reported separately for the first time in 1973, rose from $185 million in that year to nearly $555 million in 1980.

In 1979, the rates of increase slowed somewhat for all three "package" forms: homeowners, up 11.7 per cent; commercial, up 3.3 per cent, and farmowners, up 7 per cent.

Premiums Written
1957-1980

	Homeowners	Commercial	Farmowners*
1957	$ 240,680,000	$ 28,459,000	
1960	763,765,000	55,575,000	
1965	1,523,204,000	508,993,000	
1970	2,564,561,000	1,331,439,000	
1975	4,729,381,000	3,176,373,000	$259,906,000
1976	5,688,547,000	4,051,785,000	313,114,000
1977	6,765,671,000	4,890,528,000	384,567,000
1978	7,792,293,000	5,829,795,000	434,478,000
1979	8,791,661,000	6,666,822,000	518,569,000
1980	9,820,753,000	6,385,834,000	554,759,000

**Not reported as a separate line prior to 1973.*

Source: Best's Aggregates & Averages

FIRE INSURANCE AND ALLIED LINES

With fire insurance coverage widely sold as part of the popular homeowners and commercial multiple peril policies, fire insurance premium volume dipped slightly in 1980. However, the premium volume for fire and allied lines combined was .1 per cent higher in 1980 than in the previous year.

Premiums Written
1956-1980

Year	Fire	Allied Lines*
1956	$1,582,563,000	$ 714,606,000
1960	1,667,385,000	738,910,000
1965	1,548,139,000	667,254,000
1970	2,199,424,000	947,958,000
1975	2,510,230,000	1,180,946,000
1976	2,810,538,000	1,291,270,000
1977	2,992,803,000	1,421,897,000
1978	3,223,389,000	1,451,979,000
1979	3,246,495,000	1,534,155,000
1980	3,212,373,000	1,575,149,000

**Covers a wide variety of perils, including windstorm, riot, explosion, sprinkler leakage, water damage and earthquakes.*

Source: Best's Aggregates and Averages.

BURGLARY & THEFT INSURANCE

The burglary lines include coverages for loss of property (including money and securities) due to burglary, robbery or larceny, and loss of money and securities due to destruction or disappearance. Much of this coverage is now included in package policies. Countrywide, premium volume declined by 3.1 per cent in 1980.

Premiums Written
1956-1980

1956	$106,980,000	**1976**	$124,447,000
1960	115,939,000	**1977**	128,877,000
1965	109,716,000	**1978**	132,855,000
1970	135,320,000	**1979**	140,071,000
1975	120,083,000	**1980**	135,727,000

Source: Best's Aggregates & Averages.

INLAND MARINE INSURANCE

Inland marine insurance, originally developed to cover goods in transit by other than ocean vessels, today covers such instruments of transportation as bridges and tunnels as well as personal effects, personal property, jewelry, furs, fine arts and many other properties.

Inland marine premium volume increased more than 11 percent in 1980 despite continued diversion of personal property coverages to homeowners and other package forms.

Premiums Written 1956-1980

1956	$331,539,000	**1970**	$ 811,991,000	**1978**	$1,867,189,000
1960	380,919,000	**1975**	1,266,138,000	**1979**	2,061,306,000
1965	489,104,000	**1977**	1,583,966,000	**1980**	2,291,294,000

Source: Best's Aggregates & Averages.

OCEAN MARINE INSURANCE

The American ocean marine hull and cargo market has gradually expanded in volume and capacity. Its growth reflects not only greater international trade but the increase in ownership of pleasure craft along the coastal and inland waterways.

Premium volume for ocean marine insurance rose about 6 per cent in 1980.

Premiums Written 1956-1980

1956	$184,930,000	**1970**	$464,682,000	**1978**	$1,000,203,000
1960	230,429,000	**1975**	860,960,000	**1979**	1,008,816,000
1965	261,737,000	**1977**	953,231,000	**1980**	1,068,904,000

Source: Best's Aggregates & Averages.

GLASS INSURANCE

Architectural demands, merchandising trends and decorative constructional functions have contributed to an ever-increasing use of glass, and an ever-increasing need for glass insurance. With glass coverage now included in many of the popular multiple peril package policies, premium volume for glass insurance declined in 1980 for the second consecutive year.

Premiums Written 1956-1980

1956	$38,570,000	**1970**	$40,445,000	**1978**	$34,951,000
1960	47,740,000	**1975**	32,155,000	**1979**	33,457,000
1965	41,207,000	**1977**	34,241,000	**1980**	32,248,000

Source: Best's Aggregates & Averages.

GENERAL LIABILITY INSURANCE

Liability insurance (other than automobile) provides protection against claims arising from injuries to others, or damage to property of others, and for which the insured person is held responsible because of ownership of property, manufacturing or contracting operation, sale or distribution of products, the operation of elevators and the like, as well as professional services.

Sharp increases in the number of lawsuits and the average size of claims in recent years, particularly against doctors and other professional people and product manufacturers, have helped to generate a continuing need for the financial protection afforded by general liability insurance. Although liability coverage is included in both commercial and homeowners "package" policies, the premium volume for the general liability line alone has been rising steadily for many years until 1980, when a slight decline was recorded.

Medical malpractice premiums have been reported separately since 1975 (see second table below) but they are included in the following general liability totals for all years to permit a valid year-by-year comparison.

Premiums Written
1956-1980

1956	$ 669,560,000	**1970**	$2,139,671,000	**1978**	$7,705,853,000
1960	962,831,000	**1975**	3,980,661,000	**1979**	7,816,800,000
1965	1,136,745,000	**1977**	6,793,809,000	**1980**	7,692,274,000

Source: Best's Aggregates & Averages.

MEDICAL MALPRACTICE INSURANCE

A proliferation of insurance claims and lawsuits against hospitals, doctors and other medical practitioners has generated a heavy demand for medical malpractice insurance in recent years. Medical malpractice premiums which previously were included in the general liability category were first tabulated separately in 1975 and passed the billion dollar mark the following year.

Medical malpractice premiums increased by 5.9 per cent from 1979 to 1980.

Premiums Written
1975-1980

1975	$ 895,435,000	**1978**	$1,215,789,000
1976	1,132,790,000	**1979**	1,204,326,000
1977	1,194,082,000	**1980**	1,275,603,000

Source: Best's Aggregates & Averages.

WORKERS' COMPENSATION INSURANCE

Workers' compensation insurance is designed to provide for the cost of medical care, rehabilitation and lost wages for injured employees and death benefits for the dependents of persons killed in work-related accidents. The scope of this coverage has broadened considerably in recent years, in large measure because of improvements in state laws to meet performance standards recommended in 1972 by the National Commission on State Workmen's Compensation Laws. Many states have taken action not only to expand benefits but also to make the coverage applicable to classifications of employees not previously covered.

The premium volume has more than quadrupled since 1970 and in 1980 was up approximately 8.1 per cent over the 1979 total.

Premiums Written
1956-1980

1956	$1,110,740,000	**1970**	$3,492,307,000	**1978**	$11,300,144,000
1960	1,419,362,000	**1975**	6,185,943,000	**1979**	13,164,144,000
1965	2,042,232,000	**1977**	9,261,418,000	**1980**	14,238,646,000

Source: Best s Aggregates & Averages.

CROP-HAIL INSURANCE

Hail storms, which occur most frequently in the great plains states, often destroy hundreds of thousands—even millions—of dollars worth of crops. Crop-hail insurance provides financial protection, not only to individual farms but to entire communities, against damage to growing crops as a result of hail or other perils. The 1980 season was the most disastrous on record, according to the National Crop Insurance Association, with crop insurers paying out in losses and expenses approximately $1.03 for every premium dollar taken in.

Premium volume increased by 5.2 per cent in 1980 to more than $416 million. Leading premium volume states in 1980 were Iowa, Nebraska, Kansas, Illinois and Minnesota. Premiums written for crop-hail coverage by private insurance companies and one state hail fund are tallied below.

Premiums Written
1956-1980

1956	$ 78,095,000	**1970**	$125,063,000	**1978**	$351,217,000
1960	103,021,000	**1975**	312,439,000	**1979**	395,855,000
1965	116,960,000	**1977**	339,913,000	**1980**	416,577,000

Source: Best's Aggregates & Averages.

SURETY AND FIDELITY

Surety bonds, including contract, license and permit, court and fiduciary bonds, provide for monetary compensation should there be a failure to perform certain acts—such as the proper fulfillment of a construction contract—within a stated period. Surety bond premiums increased about 10 per cent in 1980.

Fidelity bonds, a suretyship product, are a form of protection against losses caused by dishonest or fraudulent acts of employees. The growth of this line—about 3 per cent in 1980—is overshadowed by its potential. Although most financial institutions are bonded, fewer than 25 per cent of mercantile establishments protect themselves with fidelity bonds.

Premiums Written
1956-1980

	Surety	Fidelity
1956	$160,480,000	$ 76,930,000
1960	197,692,000	114,757,000
1965	289,247,000	119,140,000
1970	385,890,000	176,421,000
1975	566,869,000	221,741,000
1977	628,505,000	283,251,000
1978	759,480,000	316,703,000
1979	805,142,000	350,046,000
1980	887,577,000	360,063,000

Source: Best's Aggregates and Averages.

BOILER & MACHINERY INSURANCE

This is a specialized line covering a wide variety of power-producing equipment. Insurance companies place considerable emphasis on inspection and engineering techniques in the interests of safety. The growth of automation in industrial processes and the increased size and sophistication of production facilities have heightened the need for loss-preventive services. The boiler and machinery premium volume rose by some 3.5 per cent in 1980.

Premiums Written
1956-1980

1956	$66,280,000	**1970**	$115,278,000	**1978**	$255,873,000
1960	85,080,000	**1975**	173,169,000	**1979**	282,795,000
1965	90,508,000	**1977**	213,098,000	**1980**	292,624,000

Source: Best's Aggregates & Averages.

NUCLEAR INSURANCE

Insurance against losses resulting from nuclear accidents is provided by three insurance company groups, the American Nuclear Insurers, the Mutual Atomic Energy Liability Underwriters and the Mutual Atomic Energy Reinsurance Pool. Coverage against nuclear losses through the pools has been available since 1957.

Together the nuclear pools make available to any nuclear facility:

- Up to $160 million of liability coverage (bodily injury and property damage combined). It is this coverage that provides financial protection for the general public.
- Up to $369 million of insurance to cover damage to the property of nuclear facility operators on an "all-risk" basis.

A large percentage of the liability premium income of the pools has been returned to the nuclear facilities annually in the form of refunds. Under a program known as the Industry Credit Rating Plan, approximately 70 per cent of liability premium income is placed in a reserve fund used only for loss or loss expense payments. That portion not used during a period of ten years is refunded to the insureds. From 1967 through 1980, the refunds have totaled more than $16.8 million.

The following table shows the premium income since 1957 for the nuclear insurance domestic liability and property insurance pools.

Year	Liability Premium	Property Premium
1957-1970	$ 27,652,843*	$ 37,851,142*
1971	5,726,479	12,822,690
1972	6,552,647	17,211,316
1973	8,339,234	11,222,300
1974	11,494,498	17,581,644
1975	14,192,111	20,405,797
1976	15,351,874	25,520,449
1977	17,532,802	28,773,664
1978	19,184,000	30,702,774
1979	20,316,309	40,199,176
1980	24,400,000**	61,353,439
	$170,792,797	$303,644,391

Represents gross written premium from inception to November 30, 1970.

***Estimated.*

Source: American Nuclear Insurers.

DIRECT WRITTEN PREMIUMS BY STATE

Direct premiums written by property and liability insurance companies in 1980 totaled about $96.7 billion, an increase of 7.3 per cent over the 1979 total. Data provided by A.M. Best Company (representing about 98 per cent of the nation's total insurance market) provided the basis for the tabulation below of premiums by state for selected lines which together accounted for 75.3 per cent of the overall volume.

The direct written premium total included $94,201,112,000 in premiums for the various property and liability coverages and $2,508,751,000 in accident and health insurance premiums.

The totals differ slightly from the premium totals shown elsewhere in Insurance Facts because the tabulations presented here are based on direct premiums written and those used elsewhere are based on net premiums written. Direct written premiums are the amounts actually paid by the policyholders. Net written premiums reflect additionally exchanges of premiums among insurance companies which contract, through a process known as reinsurance, to absorb specified portions of each other's losses.

Automobile liability premiums combine bodily injury and property damage liability totals. Workers' compensation premiums exclude the premiums written by 18 state workers' compensation insurance funds.

Direct Written Premiums, Selected Lines — 1980 (000 omitted)

State	Automobile Liability	Automobile Physical Damage	Homeowners	Commercial Multi-Peril	Workers' Compensation	Total All Lines**
Alabama	$ 249,127	$ 249,979	$ 155,020	$ 84,982	$ 153,447	$ 1,194,701
Alaska	41,805	28,191	20,620	22,358	72,070	252,651
Arizona	290,949	198,682	118,026	101,998	190,489*	1,122,678
Arkansas	157,910	146,958	97,539	52,080	138,561	788,335
California	3,028,315	1,928,295	1,172,682	1,089,235	2,388,166*	12,216,177
Colorado	286,514	240,385	135,356	122,095	85,581*	1,142,232
Connecticut	436,360	213,165	187,761	131,564	313,500	1,663,670
Delaware	64,455	39,222	23,995	17,092	51,130	260,316
District of Columbia	46,337	27,019	18,725	27,922	132,037	2,819
Florida	1,174,247	547,417	414,988	328,907	591,173	3,912,699
Georgia	506,916	347,165	215,594	127,976	303,182	1,934,088
Hawaii	112,526	58,910	25,200	7,201	100,297	412,184
Idaho	82,234	71,280	30,869	32,968	54,281*	367,532
Illinois	1,197,010	850,735	496,595	452,723	1,057,190	5,675,187
Indiana	462,834	399,652	256,306	184,070	180,031	1,957,692

Direct Written Premiums (continued)

State	Automobile Liability	Automobile Physical Damage	Homeowners	Commercial Multi-Peril	Workers' Compensation	Total All Lines**
Iowa	268,405	207,729	113,535	90,836	193,613	1,274,058
Kansas	215,240	194,121	134,765	75,805	141,189	1,044,438
Kentucky	174,306	227,964	132,970	83,880	278,930	1,318,172
Louisiana	525,306	307,278	221,647	109,449	459,759	2,219,548
Maine	88,567	68,299	61,703	32,206	98,428	441,663
Maryland	513,652	251,167	155,257	118,742	289,590*	1,675,892
Massachusetts	634,734	513,055	372,786	228,570	414,441	2,693,418
Michigan	796,875	950,784	422,781	368,156	867,518*	4,279,256
Minnesota	479,602	284,917	207,050	153,443	421,968	2,054,413
Mississippi	161,576	161,971	86,581	41,277	94,738	787,241
Missouri	419,550	357,361	208,712	148,986	201,278	1,850,967
Montana	73,321	63,459	31,519	39,498	26,993*	310,308
Nebraska	133,040	122,308	65,628	52,245	72,803	682,582
Nevada	115,096	77,661	43,972	47,138	384*	365,089
New Hampshire	95,581	73,452	60,226	34,968	97,649	450,751
New Jersey	1,261,748	553,746	349,083	345,195	739,818	3,996,236
New Mexico	103,651	100,338	51,639	37,498	101,081	492,836
New York	1,994,682	895,073	740,087	801,952	1,049,686*	7,981,486
North Carolina	489,508	301,079	210,399	101,489	211,560	1,667,918
North Dakota	56,767	53,257	21,216	21,654	273*	258,958
Ohio	1,027,990	717,014	462,576	342,796	20,099*	3,811,857
Oklahoma	229,525	225,034	165,771	90,081	216,504*	1,234,563
Oregon	314,134	196,599	106,730	92,598	211,718*	1,210,083
Pennsylvania	1,371,399	772,784	429,377	379,243	1,211,638*	5,247,240
Rhode Island	99,636	63,270	52,523	32,697	75,800	418,295
South Carolina	303,288	174,167	127,077	59,977	129,656	989,901
South Dakota	52,603	46,991	18,925	19,945	22,192	249,155
Tennessee	365,003	277,481	200,655	121,836	208,163	1,533,560
Texas	1,163,863	1,160,312	711,195	262,927	1,396,289	6,501,386
Utah	115,695	94,452	45,343	41,063	20,857*	410,588
Vermont	41,826	36,611	28,670	23,945	27,060	210,061
Virginia	534,514	307,989	171,537	128,247	315,556	1,825,045
Washington	425,581	270,566	186,536	154,469	34,102*	1,517,368
West Virginia	135,189	129,262	62,121	39,674	544*	505,146
Wisconsin	441,407	276,343	161,560	136,790	277,864	1,719,558
Wyoming	39,274	53,350	21,427	21,137	2,612*	197,865
Totals	$23,500,773	$15,914,301	$10,012,854	$ 7,663,589	$15,743,510	$96,709,863

**Does not include state fund premiums.*

***Totals exceed sums of other amounts, which are shown for selected lines only.*

Source: Best's Executive Data Service.

PREMIUM TAXES

Insurance companies—including life, health and property-liability companies—paid some $3,113,231,000 in premium taxes to the 50 states and the District of Columbia in 1980—an increase of about 6 per cent over the 1979 total. Approximately 51 per cent of this amount was paid by property-liability companies.

Premium taxes are actually taxes on gross income, and as such amount to an additional form of taxation on policyholders. Additional payments are made to states for licenses and fees, property taxes, sales and use taxes, unemployment compensation taxes, and in a few states, income and franchise taxes. Premium taxes accounted for about 2.3 per cent of all taxes collected by the states during 1980.

Premium Taxes by State
1980

Alabama	$ 68,410,000	Montana	$ 11,716,000
Alaska	10,436,000	Nebraska	20,228,000
Arizona	29,457,000	Nevada	11,924,000
Arkansas	29,969,000	New Hampshire	13,427,000
California	446,262,000	New Jersey	89,565,000
Colorado	38,883,000	New Mexico	20,199,000
Connecticut	61,977,000	New York	209,019,000
Delaware	11,381,000	North Carolina	80,496,000
District of Columbia	14,483,000	North Dakota	9,106,000
Florida	103,524,000	Ohio	131,405,000
Georgia	68,043,000	Oklahoma	54,080,000
Hawaii	23,001,000	Oregon	33,039,000
Idaho	15,977,000	Pennsylvania	165,412,000
Illinois	82,871,000	Rhode Island	13,168,000
Indiana	58,291,000	South Carolina	40,519,000
Iowa	43,746,000	South Dakota	10,599,000
Kansas	34,083,000	Tennessee	64,090,000
Kentucky	62,016,000	Texas	176,108,000
Louisiana	81,724,000	Utah	18,043,000
Maine	13,095,000	Vermont	6,380,000
Maryland	56,152,000	Virginia	76,484,000
Massachusetts	111,517,000	Washington	43,646,000
Michigan	119,678,000	West Virginia	29,035,000
Minnesota	63,984,000	Wisconsin	43,828,000
Mississippi	36,164,000	Wyoming	7,016,000
Missouri	64,064,000		

Source: U.S. Bureau of Census, Department of Commerce.

INSURANCE GUARANTY FUNDS

All 50 states, the District of Columbia and Puerto Rico have established procedures under which solvent property and casualty insurance companies absorb losses of claimants against insolvent insurers. New York for many years has had a pre-assessment fund law which requires the permanent maintenance of an insolvency fund (to which companies contribute) with a statutory $200 million ceiling. The other jurisdictions have set up insurance guaranty associations through which solvent companies pay assessments as needed, on a proportionate basis.

From the inception of the post-assessment funds in 1969 through December, 1980, the associations have assessed insurers more than $282 million to cover the insolvencies of 62 property and casualty insurance companies, including four which failed in 1980.

The figures do not include assessments made under New York's pre-assessment insolvency fund nor payments made by individual companies under the insolvency provision of the uninsured motorist endorsement to auto insurance policies. They also do not take into consideration recoupments available in some states through premium tax offsets and policyholder surcharges.

Guaranty Fund Assessments by State, 1969-1980

State	Amount Assessed All Companies	State	Amount Assessed All Companies
Alabama	$ none	Nebraska	$ 348,096
Alaska	2,072,822	Nevada	2,641,795
Arizona	3,553,000	New Hampshire	580,000
Arkansas	199,447	New Jersey	9,982,636
California	102,925,322	New Mexico	252,350
Colorado	2,082,508	North Carolina	1,000,080
Connecticut	3,045,550	North Dakota	7,017
Delaware	239,723	Ohio	5,499,989
District of Columbia	292,500	Oklahoma	none
Florida	64,171,600	Oregon	747,288
Georgia	327,000	Pennsylvania	11,489,999
Hawaii	800,000	Rhode Island	658,070
Idaho	133,151	South Carolina	1,081,401
Illinois	10,470,976	South Dakoka	49,425
Indiana	420,025	Tennessee	700,396
Iowa	1,364,332	Texas	7,382,238
Kansas	348,568	Utah	120,182
Kentucky	1,786,607	Vermont	110,000
Louisiana	5,844,562	Virginia	none
Maine	286,918	Washington	2,211,291
Maryland	2,694,314	West Virginia	194,571
Massachusetts	13,856,764	Wisconsin	1,654,950
Michigan	8,785,007	Wyoming	98,110
Minnesota	5,640,628	Puerto Rico	1,040,000
Mississippi	1,395,200		
Missouri	1,434,474	Total	$282,684,168
Montana	817,097		

Source: National Committee on Insurance Guaranty Funds.

AUTOMOBILE INSURANCE PLANS

Although only a small percentage of cars in the United States are insured through automobile insurance plans (formerly known as assigned risk plans), these insurance industry-supported facilities have been loss producers for many years. Annual studies by the Alliance of American Insurers indicate the auto insurance industry sustained underwriting losses of more than $2.3 billion on this business in the five years ended 1979, the latest date for which such data are available.

The purpose of these plans is to provide automobile insurance to car owners who have difficulty obtaining such coverage through the voluntary market. Private insurers participate directly in the plans in every state except Maryland.

In Maryland, the state created an Automobile Insurance Fund on Jan. 1, 1973 for those state motorists who are unable to obtain insurance in the voluntary market. Underwriting losses in the first seven years of operation approximated $89 million. Statute requires private insurers to subsidize any cash flow losses from the operation, with the cost being charged back against voluntary policyholders.

Although most states operate under a risk assignment system by which the extent of an auto insurer's direct participation is in proportion to the amount of business it writes voluntarily in a state, a number of states have adopted alternative plans. These include:

- Reinsurance facility—a combination of service by automobile insurers and the pooling of experience with each company sharing in the results on some equitable basis. Massachusetts, North Carolina, South Carolina and New Hampshire have such facilities.
- Service carrier-pooling system—providing for each agent or broker to have a company of his or her own marketing method to service difficult to place business. Florida, Hawaii and Missouri have this type of plan.

Data provided by the Automobile Insurance Plans Service Office (AIPSO), which gathers statistics and provides services for most jurisdictions, show a 5.1 per cent drop from 1979 to 1980 in the number of private passenger vehicles insured through the plans other than those of Maryland and the four states with reinsurance facilities. AIPSO data show that in 1979, about 6.7 per cent of all insured automobiles — down from 7.3 per cent in 1978 — were insured through the various plans. State by state data are tabulated on the next page.

Private Passenger Cars Insured Through Voluntary Market and Automobile Insurance Plans (Written Car Years)

State	Insured in Voluntary Market, 1979	Insured in AIP's, 1979	% of Insured Autos in AIP's, 1979	Insured in AIP's, 1980	% Change, No. of AIP Autos 1979-1980
Alabama	1,554,332	12,504	.80	11,448	– 8.4
Alaska	127,693	4,698	3.55	3,564	– 24.1
Arizona	1,203,648	984	.08	1,219	+ 23.9
Arkansas	1,001,988	6,368	.63	5,396	– 15.3
California	10,309,288	256,725	2.43	221,209	– 13.8
Colorado	1,563,874	918	.06	723	– 21.2
Connecticut	1,454,671	176,403	10.82	230,647	+ 30.8
Delaware	297,680	27,414	8.43	31,906	+ 16.4
District of Columbia	147,670	3,855	2.54	3,073	– 20.3
Florida	3,961,758	445,087	10.10	323,002	– 27.4
Georgia	2,417,075	128,137	5.03	115,511	– 9.9
Hawaii	449,543	12,562	2.72	11,580	– 7.8
Idaho	537,855	638	.12	460	– 27.9
Illinois	4,990,008	43,877	.87	24,519	– 44.1
Indiana	2,597,852	3,901	.15	3,748	– 3.9
Iowa	1,646,154	2,141	.13	1,760	– 17.8
Kansas	1,397,784	64,000	4.38	61,984	– 3.2
Kentucky	1,752,714	30,863	1.73	27,398	– 11.2
Louisiana	1,351,418	263,651	16.22	180,047	– 31.7
Maine	452,749	20,521	4.34	16,906	– 17.6
Maryland	2,045,251	97,954(a)	4.57	76,092(a)(e)	– 22.3
Massachusetts	1,675,642	1,024,756	37.95	1,141,679(f)	+ 11.4
Michigan	4,762,295	122,426	2.50	94,976	– 22.4
Minnesota	2,148,803	28,503	1.31	30,317	+ 6.4
Mississippi	859,780	21,042	2.39	16,932	– 19.5
Missouri	2,399,479	27,295	1.12	18,239	– 33.2
Montana	450,528	514	.11	593	+ 15.4
Nebraska	879,819	944	.11	998	+ 5.7
Nevada	418,654	387	.09	1,110	+ 286.8
New Hampshire	359,148	79,447	18.11	100,197	+ 26.1
New Jersey	2,471,826	1,194,003	32.57	1,317,461	+ 10.3
New Mexico	538,221	1,487	.28	972	– 34.6
New York	5,445,548	862,552	13.67	884,692	+ 2.6
North Carolina	2,624,535	715,942	21.43	848,622(b)	(c)
North Dakota	406,918	1,553	.38	1,638	+ 5.5
Ohio	5,228,997	6,563	.13	3,664	– 44.2
Oklahoma	1,479,978	2,750	.19	2,756	+ 0.2
Oregon	1,626,662	1,151	.07	863	– 25.0
Pennsylvania	5,361,302	349,266	6.12	283,950	– 18.7
Rhode Island	363,069	35,201	8.84	30,331	– 13.8
South Carolina	1,075,255	351,307	24.63	400,000(g)	+ 13.9
South Dakota	380,159	437	.11	508	+ 16.2
Tennessee	1,937,096	65,466	3.27	53,889	– 17.7
Texas	5,232,541	268,950	4.89	258,896	– 3.7
Utah	662,936	140	.02	94	– 32.9
Vermont	214,288	10,337	4.60	9,708	– 6.1
Virginia	2,566,445	214,488	7.71	196,081	– 8.6
Washington	2,025,192	21,673	1.07	19,495	– 10.9
West Virginia	819,955	13,238	1.59	9,489	– 28.3
Wisconsin	2,273,832	3,765	.17	3,824	+ 1.6
Wyoming	266,444	626	.23	614	– 1.9
Countrywide	98,206,750	7,029,590	6.68	7,084,780	– 1.2(d)

(a) Insured through State Fund. (b) Earned car years, year ended June 30, 1980.

(c) 1979 and 1980 figures are not comparable. (d) Exclusive of North Carolina.

Sources: Automobile Insurance Plans Service Office, except: (e) Maryland Automobile Insurance Fund, (f) Massachusetts Motor Vehicle Reinsurance Facility, (b) North Carolina Reinsurance Facility, (g) South Carolina Reinsurance Facility.

INSURANCE THROUGH FAIR, WINDSTORM PLANS

Until the late 1960's, property owners in the nation's deteriorated inner cities and other high risk areas often had difficulty obtaining insurance because of abnormal exposure to threatening hazards over which they had no control.

To make property insurance coverages more readily available in such areas, insurance companies now operate special property insurance plans in 31 states, the District of Columbia and Puerto Rico. These facilities include 28 Fair Access to Insurance Requirements (FAIR) Plans which provide insurance to property owners in inner city and other high risk areas, and beach and windstorm plans which operate in seven states along the Atlantic and Gulf Coasts where vulnerability to severe windstorm damage is especially high.

During 1980, FAIR plans in the 26 jurisdictions from which data were available issued 991,639 policies, about 21 per cent of them to new applicants. Coverage of commercial properties accounted for 52 per cent of the premiums written in 1980. The 26 plans at the end of the year were providing about $36.1 billion of coverage.

The number of policies issued by the seven beach and windstorm plans in 1980 represented an increase of 6 per cent over the number issued in 1979. However, the amount of insurance in force, more than $5.1 billion, was 11.2 per cent higher than the total at the end of 1979.

Insurance Provided by FAIR Plans

State	Applications, 1980		Binders or Policies Issued, 1980		Insurance in Force 12/31/80
	New	Renewal	New	Renewal	(000 omitted)
California	35,661	102,206	18,428	101,428	$ 8,722,182
Connecticut	4,448	9,025	3,266	8,033	457,662
Delaware	1,377	3,835	695	3,154	57,997
District of Columbia	3,341	10,584	1,936	10,195	698,734
Georgia	2,307	4,700	1,256	4,458	165,000
Illinois	16,362	69,664	11,583	65,823	2,181,051
Indiana	1,059	3,618	622	3,466	71,101
Iowa	*	*	*	*	*
Kansas	3,440	7,904	2,846	7,913	147,960
Kentucky	4,610	13,029	3,959	10,866	245,000
Louisiana	1,161	3,456	422	3,263	171,777
Maryland	9,199	31,337	5,993	31,168	573,938
Massachusetts	36,382	64,153	32,749	53,533	2,387,951
Michigan	40,591	144,849	36,240	133,420	5,069,120
Minnesota	864	1,770	520	1,576	76,559
Missouri	12,279	31,310	3,614	30,958	537,487
New Jersey	26,728	75,869	16,972	66,436	5,440,960
New Mexico	785	1,035	513	850	11,890
New York	32,063	84,752	28,872	84,752	4,572,482

Insurance through FAIR, Windstorm Plans (continued)

State	Applications, 1980 New	Applications, 1980 Renewal	Binders or Policies Issued, 1980 New	Binders or Policies Issued, 1980 Renewal	Insurance in Force 12/31/80 (000 omitted)
North Carolina	5,408	9,219	2,118	11,706	$ 350,351
Ohio	8,035	28,755	5,473	22,857	588,621
Oregon	1,800	2,943	1,553	2,943	90,000
Pennsylvania	34,828	107,860	21,756	88,272	2,496,460
Puerto Rico	*	*	*	*	*
Rhode Island	4,867	11,157	4,667	7,850	355,963
Virginia	5,427	12,987	2,594	10,826	314,511
Washington	73	1,164	45	1,128	61,689
Wisconsin	3,931	12,568	3,505	12,568	291,697
Totals	297,026	849,753	212,197	779,442	$36,136,143

**Not Available.*

Source: Property Insurance Plans Service Office.

Insurance Provided by Beach and Windstorm Plans

State	Applications, 1980 New	Applications, 1980 Renewal	Binders or Policies Issued, 1980 New	Binders or Policies Issued, 1980 Renewal	Insurance in Force 12/31/80 (000 omitted)
Alabama	1,042	1,487	887	1,480	$ 95,043
Florida	10,340	26,713	7,101	22,840	2,207,419
Louisiana	1,812	*	8,309	+	195,433
Mississippi	1,681	5,562	1,630	5,495	140,149
North Carolina	1,191	4,073	1,146	4,946	316,429
South Carolina	1,232	3,290	996	3,014	253,440
Texas	58,119	+	41,993	+	1,936,388
Totals	75,417	39,638	62,062	37,775	$5,144,301

**Not Available.*

+ Included with New.

Source: Property Insurance Plans Service Office.

FLOOD INSURANCE IN THE U.S.

The number of homes and businesses in the United States insured against flood damage continues to mount. In the period between June 30, 1980, and July 31, 1981, the number of policies in force increased by 5 per cent from 1,826,721 to 1,918,382 and the amount of coverage in force jumped 22.4 per cent from $80.04 billion to $97.96 billion.

Flood insurance is available in every state, Puerto Rico, Guam and the Virgin Islands under a program developed jointly by the insurance business and the Federal Insurance Administration. The program is now administered solely by the FIA.

An estimated 20,000 locations across the country are considered to be flood-prone. Under the Flood Disaster Protection Act of 1973, communities which are formally notified of their eligibility by the FIA have 12 months in which to agree to participate in the program and to take steps to minimize future flood damage. Residents of flood-prone communities which fail to participate and property owners who fail to purchase available flood insurance are ineligible for federal flood disaster assistance. More than 17,000 communities had qualified for the coverage as of July 31, 1981.

Flood Insurance in the U.S.*

State	No. of Communities	Policies in Force			Insurance in Force (000 omitted)		
		Dwelling	Business and Other	Total	Dwelling	Business and Other	Total**
Alabama	268	13,210	2,240	15,450	$ 522,635	$ 166,947	$ 689,582
Alaska	19	3,177	293	3,470	153,810	30,161	183,971
Arizona	81	21,582	2,235	23,817	967,582	161,827	1,129,409
Arkansas	295	5,179	957	6,136	147,977	46,904	194,882
California	423	86,781	7,752	94,533	4,311,438	591,379	4,902,817
Colorado	199	6,866	1,738	8,604	294,308	145,725	440,033
Connecticut	180	11,512	2,352	13,864	485,882	176,143	662,024
Delaware	42	4,005	454	4,459	224,907	40,539	265,446
District of Columbia	1	24	31	55	773	2,749	3,522
Florida	355	428,409	86,886	515,295	23,839,948	6,015,442	29,855,389
Georgia	291	12,931	1,022	13,953	517,167	69,175	586,342
Hawaii	4	4,689	1,602	6,291	251,237	148,086	399,323
Idaho	133	1,871	205	2,076	62,466	11,308	73,774
Illinois	711	20,480	2,437	22,917	594,731	129,896	724,627
Indiana	331	9,919	1,035	10,954	276,598	47,356	323,954
Iowa	357	6,926	879	7,805	180,221	51,125	231,346
Kansas	297	5,991	878	6,869	166,867	48,541	215,408
Kentucky	231	16,321	3,134	19,455	477,314	187,747	665,060
Louisiana	260	205,126	16,842	221,968	9,911,278	1,329,845	11,241,123
Maine	950	4,277	1,076	5,353	120,855	48,386	169,241

State	No. of Communities	Policies in Force: Dwelling	Policies in Force: Business and Other	Policies in Force: Total	Insurance in Force (000 omitted): Dwelling	Insurance in Force (000 omitted): Business and Other	Insurance in Force (000 omitted): Total**
Maryland	110	11,836	2,876	14,712	$ 447,160	$ 242,229	$ 689,389
Massachusetts	318	22,128	3,466	25,594	792,291	222,853	1,015,144
Michigan	485	10,609	931	11,540	331,566	50,876	382,442
Minnesota	454	6,639	1,050	7,689	195,750	71,457	267,207
Mississippi	257	31,687	4,609	36,296	1,207,025	305,529	1,512,555
Missouri	450	11,517	2,407	13,924	294,258	128,851	423,109
Montana	94	2,252	249	2,501	75,402	10,335	85,737
Nebraska	263	7,112	851	7,963	225,193	60,191	285,384
Nevada	21	6,426	294	6,720	233,774	21,740	255,514
New Hampshire	161	2,318	588	2,906	65,910	31,828	97,739
New Jersey	538	80,141	9,488	89,629	3,815,903	679,917	4,495,820
New Mexico	68	4,528	313	4,841	150,395	20,368	170,763
New York	1,428	78,220	8,351	86,571	2,467,826	427,509	2,895,335
North Carolina	306	21,085	3,323	24,408	914,197	212,902	1,127,099
North Dakota	195	5,934	563	6,497	176,065	30,213	206,878
Ohio	654	16,958	3,550	20,508	445,097	167,695	612,791
Oklahoma	290	9,530	1,294	10,824	410,167	94,962	505,128
Oregon	249	5,812	824	6,636	218,643	51,568	270,211
Pensylvania	2,400	64,510	16,379	80,889	1,726,110	1,019,769	2,745,879
Rhode Island	39	6,203	1,258	7,461	250,471	109,522	359,993
South Carolina	167	22,621	2,540	25,161	1,306,161	234,411	1,540,572
South Dakota	100	1,004	220	1,224	28,041	15,165	43,205
Tennessee	199	4,881	1,346	6,227	147,705	72,383	220,088
Texas	734	284,818	31,550	316,368	18,264,032	2,504,633	20,768,665
Utah	168	2,276	233	2,509	74,302	16,176	90,479
Vermont	220	1,734	716	2,450	44,509	30,794	75,213
Virginia	249	24,285	3,562	27,847	1,234,658	275,555	1,510,213
Washington	241	17,353	3,432	20,785	872,495	301,500	1,173,994
West Virginia	264	16,666	3,270	19,936	411,559	159,825	571,384
Wisconsin	483	5,663	832	6,495	157,635	43,577	201,212
Wyoming	54	859	155	1,014	36,663	12,625	49,287
Guam	1	29	3	32	708	210	918
Puerto Rico	1	13,076	1,852	14,928	226,474	74,160	300,634
Virgin Islands	1	1,262	711	1,973	34,441	22,346	56,787
Countrywide	17,091	1,671,248	247,134	1,918,382	$80,791,175	$17,172,864	$97,964,038

**As of July 31, 1981.*

***Some totals do not balance because of rounding.*

Source: Federal Insurance Administration.

FEDERAL CRIME INSURANCE

The Federal Crime Insurance Program, established by Congress in 1970, began operation August 1, 1971. It is administered by the federal insurance administrator, who is authorized to make federal crime insurance policies available in states in which that official perceives an availability problem. Policies, offered to both individuals and businesses, cover losses due to burglary and robbery.

Private insurers and statistical reporting companies act as servicing agents in participating states. Policies are sold through licensed property insurance agents and brokers.

In 1980, 26 states, the District of Columbia, Puerto Rico and the Virgin Islands were participating in the program. The Federal Insurance Administration reported that from the end of 1979 to year end 1980 the number of policies in force increased 23.7 per cent from 67,212 to 83,163. The amount of coverage in force rose 124 per cent from $523.9 million to $1.17 billion.

Federal Crime Insurance, 1980

State	Policies in Force at Year End			Insurance in Force at Year End (000)		
	Residential	Commercial	Total	Residential	Commercial	Total
Alabama	347	108	455	$ 4,590	$ 537	$ 5,127
Arkansas	102	35	137	1,128	187	1,315
California	158	7	165	2,464	80	2,544
Colorado	80	114	194	1,076	636	1,712
Connecticut	340	134	474	4,796	973	5,769
Delaware	116	22	138	1,070	97	1,167
District of Columbia	165	283	448	2,374	2,720	5,094
Florida	3,930	1,051	4,981	68,572	10,492	79,064
Georgia	498	387	885	6,900	3,199	10,099
Illinois	1,164	765	1,929	16,588	7,108	23,696
Iowa	7	7	14	88	91	179
Kansas	459	69	528	4,456	446	4,902
Maryland	206	337	543	3,056	3,007	6,063
Massachusetts	2,363	967	3,330	26,744	8,241	34,985
Minnesota	49	14	63	498	113	611
Missouri	1,681	480	2,161	19,708	2,895	22,603
New Jersey	2,552	737	3,289	40,770	7,474	48,244
New Mexico	19	5	24	310	9	319
New York	41,158	11,365	52,523	685,204	114,682	799,886
North Carolina	498	38	536	5,418	283	5,701
Ohio	728	459	1,187	8,176	3,462	11,638
Pennsylvania	3,819	1,832	5,651	47,602	13,684	61,286
Rhode Island	305	106	411	3,568	837	4,405
Tennessee	261	442	703	3,268	2,311	5,579
Virginia	123	57	180	1,718	358	2,076
Washington	21	3	24	290	45	335
Wisconsin	24	17	41	386	164	550
Puerto Rico	1,359	762	2,121	23,380	7,238	30,618
Virgin Islands	12	16	28	230	136	366
United States	62,544	20,619	83,163	$984,428	$191,505	$1,175,933

Source: Federal Insurance Administration, Crime Insurance Statistical Report.

TRENDS IN COSTS OF GOODS, SERVICES AND INSURANCE

The cost of insurance is influenced heavily by the costs of the materials and services for which property and liability insurers must pay in meeting their obligations to their policyholders. Tabulated below are indices showing the trends of costs of auto and property insurance and of typical factors which affect insurance claims.

Price Indices for Selected Items, 1967-1980
(Base: 1967 = 100)

Year	Cost of Living (all items)	Medical Care Items	Hospital Rooms	Physicians' Fees	Auto Repairs and Maintenance*	Auto Insurance Premiums
1967	100.0	100.0	100.0	100.0	100.0	100.0
1970	116.3	120.6	145.4	121.4	120.6	126.7
1973	133.1	137.7	182.1	138.2	142.2	138.0
1974	147.7	150.5	201.5	150.9	156.8	138.1
1975	161.2	168.6	236.1	169.4	176.6	145.9
1976	170.5	184.7	268.6	188.5	189.7	187.9
1977	181.5	202.4	299.5	206.0	203.7	210.5
1978	195.4	219.4	332.4	223.1	220.6	216.6
1979	217.4	239.7	370.3	243.6	242.6	228.7
1980	246.8	265.9	418.9	269.3	266.3	247.4

Year	Home Ownership	House Maintenance and Repairs	House Furnishings	Private Residential Construction Costs	Private Non-residential Construction Costs	Property Insurance Premiums**
1967	100.0	100.0	100.0	100.0	100.0	100.0
1970	128.5	124.0	113.4	118.7	126.9	140.1
1973	146.7	151.0	124.9	146.3	155.3	164.6
1974	163.2	171.6	130.8	161.5	186.8	174.9
1975	181.7	187.6	144.4	175.3	198.0	201.4
1976	191.7	199.6	150.7	188.6	198.6	226.5
1977	204.9	214.7	156.5	212.6	211.2	255.7
1978	227.2	233.0	154.3	241.2	237.3	282.5
1979	262.4	256.4	163.1	272.5	276.0	309.9
1980	314.0	285.7	174.2	299.6	311.1	349.7

**The cost of auto crash replacement is not reflected in this index, which includes prices for water pump replacement, motor tune-up, automatic transmission repair, front end alignment and chassis lubrication. The trend in the costs of parts commonly used to repair auto crash damage is reflected in an index developed by State Farm Mutual Automobile Insurance Company. An increase in the index from 100.0 on Jan. 1, 1976 to 168.8 on Jan. 1, 1981 means that those costs have risen at an annual rate of about 11.1 per cent during the last five years.*

** The U.S. Bureau of Labor Statistics late in 1979 altered drastically its consumer price index for property insurance. The reconstructed index, based on the year 1967 equaling 100, combines changes in personal property insurance rates (homeowners and fire and extended coverage) with changes in the value of houses being insured. Trends in property insurance rates no longer are tracked separately. The separate property insurance index was lagging considerably behind the all items index when the change was made in September, 1979.*

Sources: Construction cost data, compiled by Insurance Information Institute from data provided by the U.S. Department of Commerce, Bureau of the Census; other data, U.S. Department of Labor, Bureau of Labor Statistics.

COST OF OPERATING AN AUTOMOBILE

The cost of insurance is the second lowest of six major expense factors involved in owning and operating a car, according to the Federal Highway Administration. A study completed late in 1979 placed the cost of insurance at 2.4 cents a mile for standard size cars; 2.3 cents for compacts, and 2.2 cents for subcompacts. Since the last such study in 1976, total operating costs have increased at rates ranging from 37.4 per cent for standard size cars to 48.6 per cent for compacts. The FHA said the cost figures were computed for suburban Baltimore, Md., and would vary by area. The analysis assumes that each vehicle is driven 100,000 miles during a 10-year period.

The assumed insurance coverages are $50,000 combined public liability; full comprehensive, fire and theft; uninsured motorist, and personal injury protection with first-party medical and wage benefits of $2,500 for the full 10 years: $100 deductible collision insurance for the first five years. The personal injury protection is the form of "no-fault" insurance now compulsory in Maryland.

Cost of Operating an Automobile, Cents Per Mile

	Vehicle Cost Depreciated	Maintenance Accessories Parts & Tires	Gas & Oil (Excluding Taxes)	Garages Parking & Tolls	Insurance	State & Federal Taxes	Total Cost Per Mile
Standard Size	6.3c	5.5c	5.6c	3.2c	2.4c	1.6c	24.6c
Compact Size	5.2c	4.8c	4.9c	3.2c	2.3c	1.3c	21.7c
Subcompact Size	3.8c	4.1c	4.1c	3.2c	2.2c	1.1c	18.5c

Source: Federal Highway Administration, U.S. Department of Transportation.

INSURANCE AS A FACTOR IN HOME OWNERSHIP

While the cost of owning and maintaining a home has risen sharply in recent years, the cost of insurance has been a relatively minor contributing factor. A 1980 study by the U.S. League of Savings Associations of the impact of inflation on home ownership found that home insurance represented only 2 per cent of the total increase in median monthly housing expenses countrywide from 1977 to 1979. The cost of insurance represented only 2.9 per cent of the median monthly housing expense in 1979, down from 3.25 per cent in 1977.

Composition of Median Monthly Housing Expense

Item	1979	1977	1977-1979 Increase	Percentage of Total Increase
Mortgage payment	$401	$273	$128	85%
Real estate taxes	58	54	4	3%
Utilities	75	60	15	10%
Hazard insurance	16	13	3	2%
Total	$550	$400	$150	100%

Source: U.S. League of Savings Associations.

PERSONAL INJURY LAWSUITS

The frequency of lawsuits and the average size of court settlements, including jury verdicts, have a significant impact on the cost of liability insurance, which pays for a substantial portion of the dollar amounts involved.

Findings of a variety of studies indicate that the number of personal injury lawsuits filed in the U.S. has been increasing steadily in recent years and that, while there have been downward fluctuations in some years, the average size of verdicts also has been rising.

A study by Jury Verdict Research, Inc. (JVR), of verdicts awarded for four common injuries (cervical strain, knee injuries, vertebrae fractures and wrongful death of adult males) reflects a 17.71 per cent increase from 1978 to 1979 in the average size of those verdicts. JVR said the increase was the largest ever recorded in a single year.

For 1979, the latest year for which complete data were available, the average verdicts were shown to be $8,050 in cervical strain cases, $39,830 for knee injuries, $42,484 for vertebrae fractures and $350,269 in wrongful death cases.

Since 1962, JVR also has maintained records on million dollar verdicts, which it describes as the "headline makers in personal injury litigation." From one such verdict in 1962, the number has risen steadily to a record 80 in 1979.

Including the available data for 1980, JVR said its files contained records of 407 million dollar verdicts, including adjusted totals of 66 each in 1977 and 1978. Product liability suits accounted for the largest number, 96, followed by malpractice actions, 74, and automobile accidents, 56.

Reporting separately on product liability and malpractice verdicts, JVR noted that the size and number of such awards generally have increased over the years. From 1971 through 1979, the average size of product liability verdicts (including million dollar awards) ranged from a low of $195,020 in 1971 to $1,657,187 in 1978, followed by a drop to $761,009 in 1979. For malpractice, the range was from a low of $166,165 in 1974 to a high of $419,372 in 1978. The 1979 average was $367,319. Available figures for 1980 were still lower, but incomplete.

An annual compilation by the staff of the Pacific Coast regional office of the Insurance Information Institute tracks product liability and medical malpractice verdicts awarded in California Superior Courts. In product liability cases, the average award in 1980 was $398,823, some 33 per cent higher than the 1979 average of $299,466. In medical malpractice cases the average plaintiff award dropped 12 per cent in 1980, to $308,682, from the record high of $351,569 in 1979.

Another I.I.I. compilation shows a statewide average of 225.62 suits filed per 100,000 inhabitants for personal injury, death or property damage involving motor vehicles during the fiscal year ended June 30,

1980. The figure was 15 per cent lower than that of the previous fiscal period.

A more comprehensive reflection of the increasing tendency of Americans to sue is contained in annual state by state compilations by the Administrative Office of the US. Courts of product liability lawsuits filed in federal courts. The number of such filings has been increasing steadily, and the 9,071 suits commenced in fiscal 1981 represented a 17 per cent increase over the 7,755 cases commenced in the preceding fiscal year.

Of the cases filed in fiscal 1981, approximately 88.5 per cent were personal injury suits.

Product Liability Cases Commenced in Federal District Courts, 1980-1981

State	Fiscal 1981*	Fiscal 1980*	% Change	State	Fiscal 1981*	Fiscal 1980*	% Change
Ala.	127	119	+ 6.7	Nev.	16	23	– 30.4
Alaska	19	31	– 38.7	N.H.	92	44	+ 109.1
Ariz.	30	36	– 16.7	N.J.	175	176	– .6
Ark.	102	82	+ 24.4	N.M.	57	38	+ 50.0
Calif.	403	405	– .5	N.Y.	549	386	+ 42.2
Colo.	115	115	+ .9	N.C.	61	59	+ 3.4
Conn.	166	151	+ 9.9	N.D.	21	18	+ 16.7
Del.	18	14	+ 28.6	Ohio	255	208	+ 22.6
D.C.	318	613	– 48.1	Okla.	178	158	+ 12.7
Fla.	210	178	+ 18.0	Ore.	98	50	+ 96.0
Ga.	215	194	+ 10.8	Pa.	626	549	+ 14.0
Hawaii	76	43	+ 76.7	R.I.	43	30	+ 43.3
Idaho	21	28	– 25.0	S.C.	312	261	+ 19.5
Ill.	233	218	+ 6.9	S.D.	30	23	+ 30.4
Ind.	178	126	+ 41.3	Tenn.	232	146	+ 58.9
Iowa	66	69	– 4.3	Texas	745	653	+ 14.1
Kansas	354	282	+ 25.5	Utah	37	23	+ 60.9
Ky.	79	66	+ 19.7	Vt.	26	29	– 10.3
La.	382	273	+ 39.9	Va.	207	137	+ 51.1
Maine	109	34	+ 220.6	Wash.	115	54	+ 113.0
Md.	182	82	+ 122.0	W.Va.	64	65	– 1.5
Mass.	333	176	+ 89.2	Wisc.	60	67	– 11.7
Mich.	406	329	+ 23.4	Wyo.	14	13	+ 7.7
Minn.	298	193	+ 54.4	Canal Zone	—	—	—
Miss.	330	437	– 24.5	Gaum	1	—	N.A.
Mo.	156	142	+ 9.9	N. Mariana Islands	—	1	– 100.0
Mont.	42	41	+ 2.4	P.R.	20	25	– 20.0
Neb.	54	35	+ 54.3	V.I.	14	7	+ 100.0
				Total U.S.	9,071	7,755	+ 17.0

*Twelve month period ended June 30.

Source: Prepared by the Insurance Information Institute based on the 1981 Annual Report of the Administrative Office of the U.S. Courts.

6 Losses by Category

FIRE LOSSES

Fire losses in the United States exceeded the $5 billion mark for the first time in 1980. The estimated total of $5.6 billion was 15.6 per cent higher than the 1979 figure. The per capita fire loss jumped from $22.04 to a new high of $24.69. While the trend of fire losses has been generally upward over the years, the ratio of such losses to the aggregate value of property subject to such losses has been declining for many years as a result of countrywide fire prevention efforts.

**U.S. Fire Losses*
1875-1980**

Year	Property Loss	Loss Per Capita	Year	Property Loss	Loss Per Capita
1875	$ 78,102,000	$1.73	1950	$ 648,909,000	$ 4.29
1880	74,643,000	1.49	1960	1,107,824,000	6.19
1890	108,994,000	1.73	1970	2,328,000,000	11.41
1900	160,930,000	2.11	1975	3,560,000,000	16.71
1910	214,003,000	2.32	1977	3,764,000,000	17.36
1920	447,887,000	4.21	1978	4,008,000,000	18.34
1930	501,981,000	4.08	1979	4,851,000,000	22.04
1940	286,491,000	2.17	1980	5,608,284,000	24.69

* *Including allowances for uninsured and unreported losses.*

Source: Insurance Services Office.

FIRE FATALITIES

Fire deaths in the United States declined by about 4 per cent in 1980, to an estimated 5,500 from the 1979 toll of 5,700, according to a National Safety Council estimate. The Council said approximately 4,400, or 80 per cent, of the victims perished in residential fires.

Highest death rate by fire is among persons 65 years of age and older. The death rate among children under 5 years of age is the second highest. The fatality rate for the older group declined in 1980 for the fourth consecutive year, according to the National Safety Council. Rates shown below are deaths per 100,000 population in each age group resulting from burns, asphyxiation or being struck by falling objects during fires.

Fire Deaths per 100,000

Ages	1971	1972	1973	1974	1975	1976	1977	1978	1979	1980
0-4	5.4	5.0	5.1	4.8	4.7	5.4	5.0	5.8	4.8	4.3
5-14	1.5	1.6	1.3	1.5	1.5	1.6	1.5	1.7	1.5	1.1
15-24	1.1	1.2	1.3	1.3	1.3	1.4	1.5	1.3	1.3	1.4
25-44	2.1	2.0	2.0	1.8	1.8	1.7	1.9	1.8	1.6	1.8
45-64	4.2	4.1	4.0	3.7	3.7	3.5	3.4	3.2	3.1	2.5
65 and over	10.0	9.7	8.8	8.3	7.9	8.1	7.9	7.1	6.4	6.1

Source: National Safety Council.

LEADING CAUSES OF FIRES

Smoking continues to be the leading cause of residential fire deaths and injuries, according to the National Fire Data Center of the U.S. Fire Administration. Data compiled by the government agency show that heating-related incidents cause a greater number of home fires, and a higher percentage of the dollar losses resulting from those fires, than any other single factor.

Incendiarism (or suspected incendiarism) is identified as the leading cause, by far, of non-residential fires and the resulting dollar losses, although smoking is blamed for a slightly greater proportion of mercantile and industrial fire deaths. Incendiarism also was shown to be a major contributor to the property losses growing out of residential fires and to the injury rate in non-residential blazes.

The findings were based on studies of reported fires in 17 states during 1979. The National Fire Data Center said the findings are considered to be representative of the entire United States.

Causes of Reported Fires*

	Residential				Non-Residential			
	Fires %	Deaths %	Injuries %	Dollar Loss %	Fires %	Deaths %	Injuries %	Dollar Loss %
Heating	20.5	13.5	15.4	21.3	7.0	9.6	11.4	7.1
Cooking	18.2	7.5	19.9	6.8	5.7	—	7.7	2.2
Incendiary/Suspicious	12.7	10.9	10.4	20.5	28.7	24.1	21.0	35.2
Smoking	10.6	36.6	20.3	8.9	7.3	24.3	6.2	3.0
Electrical Distribution	8.3	7.6	6.3	12.4	11.1	9.6	7.3	13.0
Appliances	6.7	4.0	4.2	5.3	5.5	—	3.6	3.1
Children Playing	6.7	8.5	8.7	5.1	4.6	—	2.1	.8
Other Equipment	4.5	3.6	5.6	4.9	11.0	6.5	21.1	17.7
Exposure	3.0	0.5	0.8	6.6	5.0	4.0	1.5	6.6
Natural	1.0	0.4	0.6	1.4	2.5	2.8	4.9	2.9
Open Flame, Torch	5.0	3.5	5.8	4.8	7.4	19.1	9.2	6.2
Other Heat	2.8	3.4	2.0	2.0	4.1	—	4.0	2.2

**Based on studies in 17 states during 1979.*

NOTE: Columns of percentages may not total 100 per cent because of the effects of rounding.

Source: National Fire Data Center, U.S. Fire Administration, Federal Emergency Management Agency.

FIRES BY TYPE OF STRUCTURE

Fires in residential occupancies accounted for about 71.1 per cent of all structural fires in the United States during 1980, according to the National Fire Protection Association. Residential fires resulted in 55.8 per cent of the property damage in structural fires and about 48.6 per cent of the nation's total fire losses.

Structural Fires by Types of Use, 1980*

Property Use		Estimated Number Of Fires	Change from 1979	Percentage of Fires	Percentage of Dollar Loss
Public Assembly		29,000	−4.9	2.7	6.0
Educational		19,500	−13.3	1.8	1.8
Institutional		28,000	−5.1	2.6	5
Residential (total)		757,500	+5.0	71.1	55.8
One and two family dwellings**	590,500				
Apartments	143,500				
Hotels & Motels	11,500				
Other	12,000				
Stores and Offices		62,000	−3.1	5.8	11.8
Industry, Utility, Defense		55,000	−5.2	5.2	12.3
Storage in structures		65,500	+1.6	6.2	9.4
Special structures		48,500	+5.4	4.6	2.4

**Based on data reported by fire departments responding to the 1980 National Fire Experience Survey; dollar loss figures represent direct property loss only.*

***Includes mobile homes.*

Source: National Fire Protection Association estimates

THE ARSON PROBLEM

Incendiary or suspicious fires are taking hundreds of lives and causing property damage estimated at well in excess of a billion dollars each year. The National Fire Protection Association said that in 1980, some 146,000 fires of incendiary or suspicious origin caused an estimated 770 deaths and property damage of $1.76 billion.

NFPA said the 1980 dollar loss total was 32.5 per cent higher than that of 1979.

To combat the spreading arson problem, the insurance industry is working throughout the country with task forces made up of investigators, police and fire officials, judges, prosecutors and other concerned citizens. Among the goals of an all-industry Insurance Committee for Arson Control is passage of state laws tightening penalties for arson and laws permitting insurers and law enforcement agencies to exchange information freely in the course of arson investigations without fear of legal reprisal. As of mid-1981, 46 states had enacted arson immunity statutes.

U.S. FIRES—PROPERTY DAMAGE

Thirty four times during 1980, fires in the United States resulted in property losses of $5 million or more. Together, they caused damages—both insured and uninsured—of some $476.5 million.

U.S. Fires Causing Property Damage of $5 Million or More, 1980

Date	Place	Property Destroyed	Estimated Loss
Jan. 20	Borger, Texas	Refinery	$50,000,000
Nov. 21	Las Vegas, Nevada	Hotel (MGM Grand)	50,000,000*
Oct. 21	New Castle, Delaware	Chemical manufacturer	45,000,000
Nov. 24	San Bernardino, California	Brush and dwelling	38,031,400
July 8	New Orleans, Louisiana	Plumbing supply manufacturer	35,250,000
Feb. 19	Huntsville, Alabama	Multi-use industrial park	26,000,000
July 29	Salem, New Hampshire	Racetrack clubhouse	20,000,000
Oct. 14	Pekin, Illinois	Electric power plant	17,000,000
June 23	New York, New York	Office building	15,000,000
June 10	Newark, Delaware	Automobile assembly plant	13,000,000
July 7	Perth Amboy, New Jersey	Multi-use industrial park	12,000,000
May 13	Los Angeles, California	Aircraft parts warehouse	10,572,500
June 13	Covington, Virginia	Synthetic fiber manufacturer	10,152,500
Feb. 13	Totowa, New Jersey	Paper products warehouse	10,000,000
Feb. 19	Spearfish, South Dakota	Lumber mill	10,000,000
April 8	Bellingham, Washington	Boat manufacturer	8,900,000
Nov. 10	New York, New York	College (new construction)	7,502,500
Feb. 5	Rutland, Vermont	Bulk mail warehouse	7,400,000
March 1	Sterling, Connecticut	Textile warehouse	7,000,000
June 14	Livingston, Alabama	Lumber mill	7,000,000
April 15	Tacoma, Washington	Rolled paper warehouse	6,470,000
Jan. 16	Pennington, New Jersey	Private school	6,000,000
Feb. 1	New York, New York	Hotel (renovation)	6,000,000
May 9	Minnetonka, Minnesota	Catalog retail sales	6,000,000
July 19	Corvallis, Oregon	Lumber mill	5,793,900
April 25	Niagara Falls, New York	Metal products manufacturer	5,615,000
May 2	Seminole, Florida	Boat storage	5,500,000
July 13	Groton, Connecticut	Navy commissary	5,230,000
Sept. 30	Cicero, Indiana	Church	5,080,000
March 18	Elwood, Illinois	Gas manufacturer	5,005,000
March 29	San Diego, California	Condominiums (new construction)	5,000,000
May 11	Tustin, California	Apartment complex	5,000,000
May 14	Irving, Texas	Roofing material manufacturer	5,000,000
Aug. 26	Chicago, Illinois	Chemical warehouse	5,000,000

**Property damage only.* *See also The Catastrophe Record, pages 49-50.*

Source: National Fire Protection Association.

The 11 Most Costly Fires in the U.S.

Date	Place	Property Destroyed	Estimated Loss
April 18, 1906	San Francisco, Calif.	28,000 buildings	$350,000,000*
Oct. 8-10, 1871	Chicago, Ill.	17,340 buildings	175,000,000
Nov. 9, 1872	Boston, Mass.	776 buildings	75,000,000
Sept. 1, 1979	Deer Park, Texas	Tank ship	70,000,000
Apr. 16, 1947	Texas City, Texas	Waterfront industrial area	67,000,000
Feb. 27, 1975	New York, N.Y.	Telephone central office	56,500,000
Feb. 7, 1904	Baltimore, Md.	80 city blocks in business section	50,000,000
Aug. 12, 1953	Livonia, Mich.	Auto transmission plant	50,000,000
Dec. 5, 1970	Linden, N.J.	Oil refinery, nearby buildings	50,000,000
Jan. 20, 1980	Borger, Texas	Refinery	50,000,000
Nov. 21, 1980	Las Vegas, Nev.	Hotel	50,000,000

**See also Earthquakes in the United States, page 51, and The 10 Worst Multiple Fatality Fires in the U.S., page 48.*

Source: Compiled by the Insurance Information Institute.

U.S. FIRES—LOSS OF LIFE

Twenty-two times in recorded history, 100 or more persons have perished in single fires in the United States. The most tragic multiple-fatality fire since 1970 occurred on May 28, 1977, when 165 persons lost their lives in a supper club fire in Southgate, Ky.

The greatest number of fatalities recorded in a single fire in 1980 was 85, in the MGM Grand Hotel fire in Las Vegas on Nov. 21. A fire at Stouffer's Inn, Harrison, N.Y., on Dec. 4 claimed 26 lives, and 24 persons perished in a boarding house fire in Bradley Beach, N.J., on July 26.

The 10 Worst Multiple-Fatality Fires in the U.S.

Date	Place	Deaths
Oct. 8, 1871	Peshtigo, Wis., and environs	1,152
June 15, 1904	New York, N.Y., SS General Slocum	1,030
Dec. 30, 1903	Chicago, Ill., Iroquois Theatre	602
Oct. 12, 1918	Cloquet, Minn., and environs	559
Apr. 18, 1906	San Francisco, Calif., earthquake-fire	500*
Nov. 28, 1942	Boston, Mass., Cocoanut Grove Night Club	492
Sept. 1, 1894	Hinckley, Minn., and environs	413
June 30, 1900	Hoboken, N.J., North German Lloyd Steamship pier and ships	326
Apr. 21, 1930	Columbus, Ohio, State Penitentiary	320
Dec. 5, 1876	Brooklyn, N.Y., Conway's Theatre	283

*See also *Earthquakes in the United States, page 51, and The 11 Most Costly Fires in the U.S., page 47.*

Source: Compiled by the Insurance Information Institute.

CIVIL DISORDERS

Insured losses resulting from the rioting which exploded in Miami in May, 1980 were the most costly on record growing out of civil disorders which have beset numerous American cities since the mid-sixties. Of the 10 most costly civil disorders, all but the Miami violence and a disturbance in New York City which occurred during a widespread power outage occurred in the 1960's.

The 10 Most Costly U.S. Civil Disorders

Date	Locale	Estimated Insured Loss
May 17-19, 1980	Miami	$65,250,000
August 11-17, 1965	Los Angeles (Watts Section)	44,000,000
July 23, 1967	Detroit	41,500,000
July 13-14, 1977	New York City	28,000,000
April 4-9, 1968	Washington, D.C.	24,000,000
July 12, 1967	Newark	15,000,000
April 6-9, 1968	Baltimore	14,000,000
April 4-11, 1968	Chicago	13,000,000
April 4-11, 1968	New York	4,200,000
April 4-11, 1968	Pittsburgh	2,000,000

Source: Compiled by the Insurance Information Institute.

THE CATASTROPHE RECORD, 1980

To facilitate the payment of claims and to help property owners restore order in the wake of hurricanes and other perils which produce extensive, widespread damage, property/casualty insurance companies have catastrophe procedures which are put into effect when the total insured loss is expected to exceed a certain dollar amount. That minimum level is being changed from $1 million to $5 million, effective Jan. 1, 1982.

During 1980, insurers paid out nearly $1.2 billion in claims resulting from 51 catastrophes. The loss figure was 30 per cent lower than the all-time high of $1.68 billion recorded in 1979. The most costly single catastrophe of 1980 was the MGM Grand Hotel fire in Las Vegas on Nov. 21, which killed 85 persons and caused an estimated $100 million in insured damage.

The estimates listed below are based on data reported to the American Insurance Association and Insurance Services Office. They cover insured losses only, not total property damage.

The Catastrophe Record, 1980

Date	Place	Catastrophe	Estimated Loss Payments
Jan. 8-11	Hawaii	Wind, Tornadoes, Flooding	$10,000,000
Jan. 8-11	Oregon	Wind, Snow, Ice	3,000,000
Jan. 18-20	Alaska	Windstorm	2,000,000
Feb. 13-22	California, Arizona	Wind, Tornadoes, Flooding	18,000,000
Feb. 20	Jupiter, Fla.	Fire	3,500,000
Mar. 1-2	Florida, North Carolina, South Carolina, Virginia	Wind, Tornadoes, Snow, Ice, Collapse, Freezing	5,000,000
Mar. 20-22	Alabama, Georgia, Virginia, New Jersey, New York	Wind, Tornadoes, Flooding	5,000,000
Mar. 31-April 1	Alaska	Windstorm	15,000,000
April 2	Texas, Oklahoma, Arkansas	Wind, Hail, Tornadoes	62,055,000
April 7-8	Texas, Oklahoma, Arkansas, Missouri, Illinois, Tennessee, Indiana, Kentucky, Wisconsin	Wind, Hail, Tornadoes	26,300,000
April 11-14	Texas, Louisiana, Mississippi, Alabama	Wind, Hail, Tornadoes	14,050,000
April 18	Louisiana	Wind and Hail	3,500,000
April 24-28	Texas, Oklahoma, Mississippi, Alabama, Florida, Georgia	Wind, Hail, Tornadoes, Flooding	10,700,000
May 1-2	Texas, Oklahoma	Wind, Hail, Tornadoes	3,500,000
May 6-8	Texas	Wind, Hail, Tornadoes	3,700,000
May 11-12	Ohio, Pennsylvania	Wind, Hail, Tornadoes	9,500,000
May 12	Missouri, Michigan	Wind, Hail, Tornadoes	52,565,000
May 15-20	Texas, Louisiana, Mississippi, Alabama, South Carolina	Wind, Hail, Tornadoes, Flooding	18,445,000
May 17-19	Miami, Fla.	Disorder	65,250,000
May 17-18	Oklahoma	Wind and Hail	5,920,000
May 18	Mt. St. Helens, Wash.	Volcanic Eruption	27,000,000

The Catastrophe Record (continued)

Date	Place	Catastrophe	Estimated Loss Payments
May 25-29	Texas, Nebraska, Minnesota	Wind, Hail, Tornadoes, Flooding	$12,935,000
May 31-June 3	Kansas, Missouri, Iowa, Illinois, Indiana, Ohio, Pennsylvania, West Virginia, Virginia, Delaware, Maryland, New Jersey	Wind, Hail, Tornadoes	33,600,000
June 3	Nebraska	Wind, Hail, Tornadoes	54,657,500
June 4	Texas	Wind and Hail	5,632,400
June 5-6	South Dakota, Iowa	Wind and Hail	7,000,000
June 7-8	Nebraska, Iowa, Minnesota, Wisconsin, Illinois, Indiana, Ohio	Wind, Hail, Tornadoes	15,000,000
June 12-15	Nebraska, Iowa	Wind and Hail	31,000,000
June 16-17	Oklahoma, Kansas	Wind and Hail	5,770,000
June 18-19	Nebraska, Iowa, Kansas, Colorado, Oklahoma, Texas	Wind and Hail	54,600,000
June 29	Maryland	Wind and Tornadoes	5,000,000
July 2-3	Missouri, Illinois, Indiana, Kentucky	Wind, Hail, Tornadoes, Flooding	65,000,000
July 4-6	Iowa, Illinois, Indiana, Ohio, Nebraska, Kansas, Michigan, Virginia	Wind, Hail, Tornadoes	45,000,000
July 8-9	Iowa, Illinois, Indiana, Ohio, Kentucky, Virginia	Wind, Hail, Tornadoes	9,500,000
July 12-13	Ohio, Georgia	Wind, Hail, Tornadoes	6,000,000
July 15-17	Minnesota, Wisconsin, Illinois, Michigan, Indiana, Pennsylvania, New Jersey	Wind, Hail, Tornadoes	95,282,000
July 16	Colorado	Wind and Hail	6,500,000
July 20-22	Colorado	Wind and Hail	4,000,000
July 20-21	Wisconsin, Illinois	Wind, Hail, Flooding	7,500,000
Aug. 6-8	North Dakota, Minnesota	Wind and Hail	8,000,000
Aug. 4-11	Virgin Is., Puerto Rico, Texas	Hurricane "Allen"	57,911,000
Sept. 3	Minnesota	Wind, Hail, Tornadoes	4,000,000
Sept. 19-20	Minnesota, Iowa	Wind, Hail, Tornadoes	35,000,000
Oct. 15	Texas	Wind, Hail, Flooding	1,500,000
Oct. 25-26	New Jersey, New York, Connecticut, Rhode Island, Massachusetts, New Hampshire, Maine	Wind and Flooding	16,650,000
Nov. 16-17	California	Fire	16,000,000
Nov. 15-17	California	Wind	3,000,000
Nov. 21	Las Vegas, Nev.	Fire (MGM Grand Hotel)	100,000,000*
Nov. 24-30	California	Fire	43,000,000
Dec. 7	Texas	Wind and Hail	2,000,000
Dec. 24-29	New Jersey, New York, Connecticut, Massachusetts, Pennsylvania, Rhode Island, Vermont, Maine, New Hampshire	Wind, Snow, Freezing	62,000,000

**Includes structural personal property and business interruption losses.*

Source: American Insurance Association

EARTHQUAKES IN THE UNITED STATES

Although much of the nation's seismic activity is centered along the Pacific Coast and in Nevada, every state is vulnerable to and has felt the effects of earthquakes. The San Francisco earthquake-fire of April 18, 1906 nearly razed the city and took an estimated 500 lives. In the East, the greatest shock was experienced in Charleston, S.C., on August 31, 1886, and resulted in 60 deaths and $23 million in property damage. Although insurance against earthquake damage is generally available, relatively few property owners have taken advantage of the protection it offers.

Three earthquakes causing significant damage occurred in the United States during 1980. On January 24 and 27 an earthquake in the Livermore, Calif., area caused property damage of $11.5 million. On May 25 and 27 in the Mammoth Lakes—Crowley Lake, Calif., area, $2 million property damage resulted from an earthquake. A quake in the Maysville, Ky., area on July 27 caused $3 million in property damage.

Property damage figures in the table below are given in dollar values for the years in which the earthquakes occurred. The National Oceanic and Atmospheric Administration said that in terms of 1979 dollar values, the 1964 Alaska earthquake and tsunami would show the largest magnitude by far ($1.02 billion), with San Fernando (1971) second and San Francisco (1906) third.

The 10 Most Costly U.S. Earthquakes

Year	Locality	Estimated Property Damage
1971	San Fernando, Calif.	$553,000,000
1964	Alaska and West Coast of United States (tsunami damage from earthquake near Anchorage, Alaska)	500,000,000
1952	Kern County, Calif.	60,000,000
1933	Long Beach, Calif.	40,000,000
1979	Imperial County, Calif.	30,000,000
1960	Hawaii and West Coast of United States (tsunami damage from earthquake off the coast of Chile)	25,500,000
1946	Hawaii (tsunami damage from earthquake in Aleutians)	25,000,000
1949	Puget Sound, Wash.	25,000,000
1906	San Francisco, Calif.	24,000,000*
1886	Charleston, S.C.	23,000,000

**The San Francisco catastrophe of 1906 also caused fire losses estimated at $350,000,000.*

Source: National Oceanic and Atmospheric Administration, U.S. Department of Commerce.

HURRICANES REACHING THE U.S.

In the last 25 years, 33 hurricanes have reached the continental United States, leaving in their wake 1,264 dead. Hurricane "Allen," which cut through the southern tip of Texas in August, was the only hurricane to strike the U.S. during 1980. "Allen" took two lives and caused $57,911,000 in insured losses, although the National Oceanic and Atmospheric Administration estimated the total damage at approximately $300 million.

Hurricanes in the U.S., 1956-1980

Year	Hurricanes	Deaths*	Year	Hurricanes	Deaths*	Year	Hurricanes	Deaths*
1956	1	21	**1965**	1	75	**1973**	0	5
1957	1	395	**1966**	2	54	**1974**	1	1
1958	0	2	**1967**	1	18	**1975**	1	21
1959	3	24	**1968**	1	9	**1976**	1	9
1960	2	65	**1969**	2	256	**1977**	1	0
1961	1	46	**1970**	1	11	**1978**	0	35
1962	0	4	**1971**	3	8	**1979**	3	22
1963	1	11	**1972**	1	121	**1980**	1	2
1964	4	49						

**Deaths include fatalities from high winds of less than hurricane force.*

Source: United States Department of Commerce—National Oceanic and Atmospheric Administration.

The 10 Most Costly Insured Hurricanes

Dates	Place	Hurricane	Estimated Insured Loss
1979-Sept. 12-14	Miss., Ala., Fla., La., Tenn., Ky., W. Va., Ohio, Pa., N.Y.	"Frederic"	$752,510,000
1965-Sept. 7-10	Fla., La., Miss.	"Betsy"	715,000,000*
1970-Aug. 3	Southeastern Texas	"Celia"	309,950,000*
1969-Aug. 17-18	La., Miss., Ala., Florida Panhandle	"Camille"	225,000,000*
1954-Aug. 30-31	N.Y., Conn., R.I., Mass., Me., N.H., N.J.	"Carol"	129,700,000*
1979-Aug. 30, Sept. 4-6	Fla., Ga., S.C., N.C., Va., Md., D.C., Del. Pa., N.J., N.Y., Ct., Mass., P.R., V.I.	"David"	122,070,000
1954-Oct. 15-16	S.C., N.C., Va., W.Va., D.C., Md., Del., N.J., Pa., N.Y.	"Hazel"	122,050,000*
1975-Sept. 16-26	Fla., Ala., Ga., Tenn., W.Va., Va., Md., Del., D.C., Pa., N.J., N.Y., Mass., Conn., R.I., P.R.	"Eloise"	119,188,500
1961-Sept. 9-12	Tex., La. Gulf Coast	"Carla"	100,000,000*
1972-June 17-25	Fla., Ga., S.C., N.C., Va., W.Va., Ohio, Mich., Pa., Md., Del., D.C., N.J., N.Y., Conn., R.I., Mass., Me., Vt.	"Agnes"	97,853,000**

**Fixed property loss.*

***Hurricane "Agnes" caused extensive uninsured losses, largely as a result of heavy flooding. Total property damage is estimated by the National Oceanic and Atmospheric Administration at $3,097,800,000.*

Source: Compiled by Insurance Information Institute from American Insurance Association estimates.

TORNADOES IN THE UNITED STATES

Some 18,795 tornadoes have struck the United States in the last 25 years, taking a total of 2,348 lives. During 1980, a total of 866 tornadoes killed 28 persons, injured 1,158, and caused property damage estimated by the National Oceanic and Atmospheric Administration at more than $500 million.

Countrywide, over the last five years, 252 persons have died and 7,170 have been injured as the result of 4,193 tornadoes.

Tornadoes in The U.S. 1956-1980

Year	Tornadoes	Deaths	Year	Tornadoes	Deaths	Year	Tornadoes	Deaths
1956	504	83	**1965**	906	296	**1973**	1,102	87
1957	856	192	**1966**	585	98	**1974**	947	361
1958	564	66	**1967**	926	114	**1975**	920	60
1959	604	58	**1968**	660	131	**1976**	835	44
1960	616	46	**1969**	608	66	**1977**	852	43
1961	697	51	**1970**	653	72	**1978**	788	53
1962	657	28	**1971**	888	156	**1979**	852	84
1963	464	31	**1972**	741	27	**1980**	866	28
1964	704	73						

Source: United States Department of Commerce—National Oceanic and Atmospheric Administration.

Five Year Totals, Tornadoes by State, 1976-1980

State	Tornadoes	Deaths	Injuries	State	Tornadoes	Deaths	Injuries
Alabama	123	23	325	Nevada	4	0	0
Alaska	0	0	0	New Hampshire	6	0	0
Arizona	13	0	3	New Jersey	6	0	1
Arkansas	157	14	337	New Mexico	29	0	5
California	34	0	8	New York	28	0	9
Colorado	154	0	8	North Carolina	91	4	56
Connecticut	2	3	500	North Dakota	171	5	39
Delaware	7	0	7	Ohio	89	0	122
District of Columbia	0	0	0	Oklahoma	179	13	262
Florida	342	7	390	Oregon	1	0	0
Georgia	103	1	77	Pennsylvania	84	4	213
Hawaii	2	0	0	Rhode Island	0	0	0
Idaho	4	0	2	South Carolina	49	1	82
Illinois	99	11	191	South Dakota	144	1	15
Indiana	122	11	152	Tennessee	57	2	86
Iowa	169	13	209	Texas	747	59	2,014
Kansas	105	19	37	Utah	0	0	0
Kentucky	41	4	99	Vermont	0	0	0
Louisiana	103	8	432	Virginia	43	2	36
Maine	4	0	2	Washington	8	0	0
Maryland	26	0	16	West Virginia	16	0	25
Massachusetts	6	2	5	Wisconsin	111	5	119
Michigan	124	14	277	Wyoming	115	1	42
Minnesota	102	6	110	Puerto Rico	2	0	0
Mississippi	113	14	432				
Missouri	56	5	185				
Montana	33	0	2				
Nebraska	194	5	238	Countrywide Totals	4,193*	252	7,170

**Corrected for boundary-crossing tornadoes.*

Source: United States Department of Commerce—National Oceanic and Atmospheric Administration.

MOTOR VEHICLE ACCIDENTS

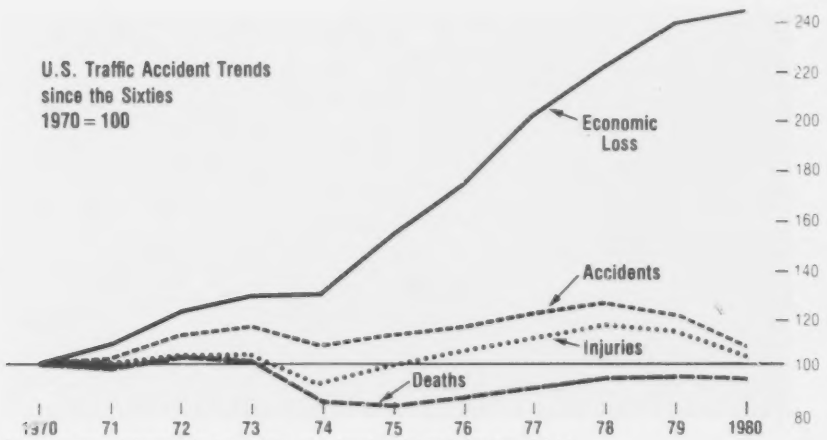
The nation's motor vehicle accident experience showed marked improvement in 1980 as the numbers of crashes, deaths and injuries all declined from the totals recorded in 1979. While economic losses resulting from those accidents continued to rise as the result of steady increases in the costs of such related expenses as automobile repairs and medical and hospital care, the rate of increase—2 per cent—was the lowest since 1974.

Projections by the Insurance Information Institute showed a 9.6 per cent decline in accidents and a 7.9 per cent drop in injuries. The National Safety Council reported a slight decline in the death toll.

Traffic Accidents in the United States, 1960-1980

Year	Accidents**	Deaths*	Injuries**	Economic Loss**
1960	11,429,000	38,137	3,078,000	$10,211,000,000
1965	14,733,000	49,163	3,982,000	14,177,000,000
1970	22,116,000	54,633	4,983,000	23,549,000,000
1975	24,887,000	45,853	4,978,000	36,058,000,000
1976	25,439,000	47,038	5,269,000	40,889,000,000
1977	26,716,000	49,510	5,575,000	47,710,000,000
1978	27,742,000	52,411	5,798,000	52,622,000,000
1979	26,669,000	52,800	5,681,000	56,371,000,000
1980	24,100,000	52,600	5,230,000	57,519,000,000

Sources: *National Safety Council.
**Insurance Information Institute (injury estimates prior to 1965 are those of the Travelers Insurance Companies).



Source: Insurance Information Institute (Fatality index based on National Safety Council data).

NOTE: Estimates by the Insurance Information Institute of accident and injury totals are based on official reports from a representative cross-section of states. Projections take into account all accidents and injuries, both reported and unreported. The Institute's estimates are higher than those of the National Safety Council, which do not include a factor for unreported accidents and include only injuries which result in death, permanent disability or a degree of temporary total disability.

Dollar loss data take into account wage losses; legal, medical, hospital and funeral expenses; insurance administrative costs, and property damage. The projection factors were adjusted in 1972 on the basis of a study by the National Highway Traffic Safety Administration of the societal costs of motor vehicle accidents, and are recomputed monthly to track with government cost indices.

The Institute's estimating procedures are the subject of a continuing review.

ACCIDENTS BY AGE OF DRIVERS

Compilations based on reports from state traffic authorities show that drivers under age 30 are involved in a disproportionately high number of traffic accidents. In 1980, drivers in that age group comprised 33.7 per cent of the motoring population of the United States, but comprised 51.4 per cent of the drivers involved in all accidents and 50.8 per cent of the drivers in fatal accidents. The highest accident involvement rate (35 per 100 drivers) was that of drivers under age 20; the highest fatal accident involvement rate (82 per 100,000 drivers) was that of motorists in the 20-24 age bracket.

Accidents by Age of Drivers, 1980

Age Group	Number of Drivers	% of Total	Drivers in All Accidents	% of Total	Drivers in Fatal Accidents	% of Total	Accident Involvement Rate All*	Accident Involvement Rate Fatal**
Under 20	14,300,000	9.8	5,000,000	16.8	10,800	15.8	35	76
20-24	17,400,000	11.9	5,900,000	19.8	14,200	20.8	34	82
25-29	17,500,000	12.0	4,400,000	14.8	9,700	14.2	25	55
30-34	16,800,000	11.5	3,500,000	11.7	8,300	12.2	21	49
35-39	13,900,000	9.5	2,200,000	7.3	4,800	7.0	16	35
40-44	11,700,000	8.0	1,900,000	6.4	4,700	6.9	16	40
45-49	11,400,000	7.8	1,600,000	5.3	3,800	5.6	14	33
50-54	11,700,000	8.0	1,300,000	4.4	2,900	4.2	11	25
55-59	10,100,000	6.9	1,300,000	4.4	2,600	3.8	13	26
60-64	7,500,000	5.2	900,000	3.0	2,200	3.2	12	29
65-69	6,400,000	4.4	1,000,000	3.4	1,700	2.5	16	27
70-74	4,400,000	3.0	300,000	1.0	1,200	1.8	7	27
75 and over	2,900,000	2.0	500,000	1.7	1,400	2.0	17	48
Total	146,000,000	100.00	29,800,000	100.0	68,300	100.0	20	47

**Drivers in all accidents per 100 drivers in each age group.*

***Drivers in fatal accidents per 100,000 drivers in each age group.*

Source: National Safety Council.

AUTOMOBILE REPAIR COSTS

The cost of repairing automobiles continues to climb because of steady increases in the costs of parts and labor. A study of labor rates in key areas around the country reflects a range of $15.00 to $27.10 an hour early in 1981 and an average hourly rate of $17.66. The table below reflects changes in a 6-year period in the cost of replacing frequently damaged parts of the same popular model 1975 car.

Costs of Replacing Selected Parts, 1975 and 1981

	1975 Chevrolet Impala 4-door Sedan damaged in: April 1975		April 1981	
	Parts	Labor*	Parts	Labor**
Front Bumper Assembly	$196.68	$ 34.27	$ 446.91	$ 55.78
Radiator Grille Assembly	81.35	20.35	181.10	33.12
Hood Assembly	159.10	14.99	343.69	24.40
Front Fender Assembly (one side)	147.66	39.63	294.50	64.49
Total	$584.79	$109.24	$1,266.20	$ 177.79
Total Parts & Labor		$694.03		$1,443.99

$10.71 an hour.* *$17.66 an hour.*

Sources: Parts costs, Motor Crash Estimating Guides, April 1975 and April 1981; labor costs, Allstate Insurance Company.

CLAIM COSTS, AUTO ACCIDENTS

The costs of insurance claim settlements and court awards resulting from auto accidents have risen steadily in recent years. From 1971 through 1980, the average paid bodily injury claim rose about 116 per cent from $1,852 to $4,010; the average paid property damage liability claim climbed approximately 127 per cent from $346 to $787.

Countrywide Average Paid Claim Costs*
Liability Insurance, Private Passenger Cars

Year	Bodily Injury	Property Damage	Year	Bodily Injury	Property Damage
1971	$1,852	$346	**1976**	$2,583	$490
1972	1,926	355	**1977**	2,890	544
1973	2,125	375	**1978**	3,123	622
1974	2,472	397	**1979**	3,559	715
1975	2,646	445	**1980**	4,010	787

**For all limits combined, and including all loss adjustment expenses. Dollar averages exclude Massachusetts (for all years) and most states which have no fault automobile insurance laws.*

NOTE: An apparent decline in 1976 in the amount of the average paid bodily injury claim is the result of an adjustment resulting from a change in the data base, and does not necessarily reflect an improvement in the claims experience. The revised data base has been applied to all claims figures for 1976 and succeeding years, but not to the figures for earlier years.

Source: Insurance Services Office.

ACCIDENTAL DEATHS

Accidents in the United States in 1980 took approximately 105,000 lives. The toll was the same as that of 1979.

Slight declines were recorded in the numbers of fatalities resulting from motor vehicle and work accidents and from public accidents other than those involving motor vehicles.

Accidental Deaths, 1979-1980

	1980	1979	% Change
All accidents	105,000	105,000	N.C.
Motor vehicle	52,600	52,800	*
Home	23,000	22,000	+5%
Work	13,000	13,300	−2%
Public (non-motor vehicle)	21,000	21,500	−2%

**Less than .5 per cent.*

NOTE: Death figures shown for the four separate classifications total more than the "All Accidents" figure due to rounding and because some deaths are included in more than one classification.

Source: National Safety Council

LOW-SPEED CRASH TESTS

Crash tests of four popular 1981 model subcompact cars again emphasized the substantial differences in the protection different bumper systems offer, according to the Insurance Institute for Highway Safety.

IIHS said all four cars met the federal standard of sustaining no damage in 5-mile-an-hour front-into-barrier crashes, but sustained modest to severe damage in similar tests at twice the speed.

The current federal bumper standard, which became effective with 1980 models, also calls for cars to be damage-free in 3-mile-an-hour corner pendulum impacts. Efforts to roll the standards back (to require only 2.5-mile-an-hour tests) failed in 1980.

IIHS, which has been conducting low-speed crash tests annually for more than a decade, said the Ford Motor Company's new Escort proved to have the best performing bumper system of any of the four 1981 models tested. In a series of seven tests, Toyota's new imported model, the Corolla Tercel, sustained overall considerably greater damage than any of the other three models.

IIHS said the test results also counter the contention of some critics of the federal bumper standard that bumpers must weigh more in order to better resist damage. It noted that the Tercel's bumper systems, combined front and rear, weigh 62 pounds, or 3.1 per cent of the car's total weight. The Escort's systems, on the other hand, weigh only 53 pounds, or 2.4 per cent of the car's weight.

Results of the 1981 tests are tabulated below.

Low-Speed Crash Test Results
1981 Model Subcompact Cars

ESTIMATED COST TO REPAIR[1]

Model	5 MPH Front into Barrier	5 MPH Front into Angle Barrier	5 MPH Rear into Pole	5 MPH Front into Rear	5 MPH Front into Side[2]	10 MPH Front into Barrier	10 MPH Front into Rear[3]
Ford Escort 2-dr.	$0	$ 0	$ 0	$0	$360	$ 455	$ 0
Ford Mustang 2-dr.	0	24	53	0	292	380	204
Plymouth Reliant 4-dr.	0	171	90	0	221	519	0
Toyota Corolla Tercel 2-dr.	0	252	149	0	415	1,030	33
Averages	$0	$112	$73	$0	$322	$ 596	$59

[1] *Rounded to nearest dollar. A labor rate of $15 per hour, slightly lower than the prevailing average labor rate in the U.S., was used.*

[2] *Side damage only; no damage to front.* [3] *Rear damage only; no damage to front.*

Source: Insurance Institute for Highway Safety.

AUTOMOBILE COLLISION INSURANCE CLAIMS

Comparisons of collision loss experience for cars of model years 1978, 1979 and 1980 underline two basic conclusions, according to the Highway Loss Data Institute (HLDI): larger models have fared better than smaller cars, and domestic cars have fared better than imports.

HLDI said its comparisons showed that over the three model years, all of the cars with the best collision loss experience were domestic models and all but one were intermediates or compacts. Of the 14 worst-ranked cars, 12 were imports and all but one were subcompacts or compacts.

The two tables on the next page list the cars with the best and the worst collision insurance loss experience, respectively, based on relative average loss payments per insured vehicle year (with 100 representing the average for all cars of the model year).

The table below summarizes, year by year since introduction, the results of the HLDI study for the various car sizes. The data reflect a steady increase, consistent with generally rising auto repair costs, in the average size of loss payments.

Loss Payment Summary by Car Size, Model Year and Years since Introduction, 1978, 1979, and 1980 Models—Collision Coverages*

		Claim Frequency Per 100 Insured Vehicle Years			Average Loss Payment Per Claim			Average Loss Payment Per Insured Vehicle Year		
Car Size	Years Since Intro.	1980 Models	1979 Models	1978 Models	1980 Models	1979 Models	1978 Models	1980 Models	1979 Models	1978 Models
All Combined	1st:	9.6	10.2	10.0	$1,197	$1,091	$ 969	$115	$111	$ 97
	2nd:		9.8	10.5		1,115	983		109	103
	3rd:			8.8			1,047			92
	All:	9.6	9.9	9.7	1,197	1,108	1,008	115	110	98
Subcompact:	1st:	10.3	10.8	10.8	1,236	1,178	1,035	127	127	112
	2nd:		10.4	11.2		1,193	1,049		124	117
	3rd:			9.3			1,126			105
	All:	10.3	10.5	10.3	1,236	1,188	1,079	127	125	111
Compact	1st:	8.9	10.3	10.0	1,138	1,036	944	101	107	94
	2nd:		10.0	10.4		1,063	963		106	100
	3rd:			8.8			1,026			90
	All:	8.9	10.0	9.7	1,138	1,056	987	101	106	96
Intermediate	1st:	8.5	8.8	9.0	1,196	1,010	923	102	89	83
	end:		8.7	9.5		1,044	932		91	89
	3rd:			8.1			991			80
	All:	8.5	8.7	8.8	1,196	1,035	956	102	90	84
Full-Size	1st:	9.6	10.7	10.2	1,369	1,184	975	131	127	99
	2nd:		10.0	10.5		1,219	975		122	102
	3rd:			9.1			1,013			92
	All:	9.6	10.2	9.8	1,369	1,208	991	131	123	97

**Based on data provided by 10 auto insurers.*

Source: Highway Loss Data Institute.

Relative Average Loss Payments per Insured Vehicle Year for 1978-1980 Model Year Cars with the Best Collision Coverage Loss Experience

Make & Series	Body Style	Car Size	Relative Average Loss Payment Per Insured Vehicle Year 1980 Models[1]	1979 Models[2]	1978 Models[3]
Oldsmobile Cutlass	Sta. Wgn.	C	46	70	74
Chevrolet Malibu	Sta. Wgn.	C	47	65	72
American Concord	Sta. Wgn.	C	47	70	74
American Matador	Sta. Wgn.	I			52
Pontiac Sunbird	Sta. Wgn.	SC		54	78
Buick Skylark*	4-Door	C		55	57
Pontiac Phoenix*	4-Door	C		55	62
Oldsmobile Omega*	4-Door	C		56	58
Chevrolet Caprice	Sta. Wgn.	I	57	63	80
Buick Skylark*	2-Door	C		57	64
Buick Century	4-Door	C	58	79	81
Pontiac Catalina	4-Door	I		59	68
American Eagle	Sta. Wgn.	C	60		
Buick LeSabre	4-Door	I	60	61	69
Pontiac Catalina	Sta. Wgn.	I		60	63

**The 1980 models with these names are GM "X-body" cars and are completely different cars than the 1978 and 1979 models whose results are shown in this table.*

[1]Base: 100 = $115, the average loss payment per insured vehicle year for all 1980 models.

[2]Base: 100 = $110, the average loss payment per insured vehicle year for all 1979 models.

[3]Base: 100 = $ 98, the average loss payment per insured vehicle year for all 1978 models.

Blanks indicate either insufficient exposure or no comparable series produced for that model year.

Source: Highway Loss Data Institute.

Relative Average Loss Payments per Insured Vehicle Year for 1978-1980 Model Year Cars with the Worst Collision Coverage Loss Experience

Make & Series	Body Style	Car Size	Relative Average Loss Payment Per Insured Vehicle Year 1980 Models[1]	1979 Models[2]	1978 Models[3]
Porsche 911	Sports	SC		502	294
Porsche 924	Sports	SC		352	380
Chevrolet Corvette	Sports	SC	323	205	193
Datsun 280ZX/Z	Sports	SC	266	225	194
Datsun 280Z 2+2	Sports	*		227	201
Lincoln Mark VI 4-Door	Specialty	I	227		
Toyota Celica Supra	2 Door	C	217	212	
Volkswagen Scirocco	2-Door	SC	203	206	209
Fiat Brava	**	SC		205	151
Mazda RX7	Sports	SC	189	185	
Fiat Spider	Sports	SC		187	184
Dodge Challenger	2-Door	SC	186	168	
Audi 5000	4-Door	C	139	184	173
Plymouth Sapporo	2-Door	SC		169	181

**The 1978 models of this car were compacts (103 inch wheelbase) and the 1979 models were reduced in size to subcompacts (99 inch wheelbase).*

[1]Base: 100 = $115, the average loss payment per insured vehicle year for all 1980 models.

[2]Base: 100 = $110, the average loss payment per insured vehicle year for all 1979 models.

[3]Base: 100 = $ 98, the average loss payment per insured vehicle year for all 1978 models.

Blanks indicate either insufficient exposure or no comparable series produced for that model year.

Source: Highway Loss Data Institute.

AUTOMOBILE PERSONAL INJURY INSURANCE CLAIMS

Imported subcompacts continue to have the "worst" record of personal injury claims in auto crashes, according to a 1980 study by the Highway Loss Data Institute (HLDI). American-made intermediates, especially 4-door models and station wagons, were shown to have the best overall record for fewest crash-related injury claims.

In a survey of medical claim frequencies for injuries to occupants of 1977 through 1979 model cars, the car with the poorest experience was the Datsun 200 SX, with an overall relative claim frequency rate 71 per cent higher than average and the highest frequency of claims exceeding $500. The Japanese-built Plymouth Arrow had the highest frequency of claims exceeding $250.

Of the 22 cars with the worst loss experience, the first eight and a total of 15 are imported models. All but two are subcompacts.

All 24 cars with the best injury claims records were manufactured in the United States. Only one compact model and one subcompact were included in that group. The Oldsmobile Toronado, with an overall claim frequency rate 43 per cent below average, had the best record, followed by the Chrysler Newport. Both are full-size models.

The study results were based on "no-fault" personal injury protection experience in 20 states. Claim frequency results were calculated for all medical claims and for medical claims exceeding $250, $500 and $1,000, using data provided by nine insurers.

HLDI noted that the results clearly showed "a pattern of declining claim frequencies with increasing car size," although there were wide variations among cars in each size and body style group.

Because of the massive shift in consumer preference to small cars and away from larger models, HLDI early in 1981 announced that for purposes of closer analysis it had divided the subcompact groups into "small subcompacts" (with wheelbases less than or equal to 96 inches) and "subcompacts" (with wheelbases greater than 96 inches but less than or equal to 101 inches). Compacts were divided into "small compacts" (with wheelbases greater than 101 inches but less than or equal to 106 inches) and "compacts" (with wheelbases greater than 106 inches but less than or equal to 111 inches).

HLDI said the new analysis showed that "the smallest cars had the worst injury loss experience in all claim size categories."

A separate review of the 1977-79 injury claim frequencies for vans, pickup trucks and utility vehicles found that, overall, pickups had the lowest claim frequency and utility vehicles the highest.

The tabulations of claim frequencies involving certain 1977-79 models are presented relative to the results for all vehicles combined.

Relative Injury Claim Frequencies, Personal Injury Protection Coverages 1977-1979 Models with the Best Loss Experience

Model Years	Make & Series	Body Style	Car Size	Relative Claim Frequencies By Size of Claim* All	Over $250	Over $500	Over $1,000
1977-1979	Oldsmobile Toronado	Spec	FS	57	53		
1977-1978	Chrysler Newport	4-Dr	FS	58	68	75	
1977-1979	Buick Estate	S W	I	62			
1977	Oldsmobile Custom Cruiser	S W	I	62			
1977	Buick Century	S W	I	62			
1977-1979	Oldsmobile Ninety Eight	4-Dr	I	66	74	82	79
1977	Oldsmobile Cutlass	S W	I	66	60		
1977-1979	Mercury Cougar	4-Dr	I	68			
1977-1979	Oldsmobile Delta 88	4-Dr	I	68	66	69	76
1977-1979	Chevrolet Caprice	S W	I	68	64	63	69
1977-1979	Lincoln Continental 4-Dr	Spec	FS	68	90	91	
1978-1979	Oldsmobile Cutlass	S W	C	69	73		
1978-1979	Chrysler LeBaron	S W	I	69			
1977-1978	Chrysler New Yorker	2-Dr	FS	70			
1977-1979	Buick LeSabre	4 Dr	I	73	69	68	70
1977-1979	Pontiac Catalina	4-Dr	I	73	77	68	
1977-1979	Chevrolet Impala	S W	I	74	66	67	63
1977-1979	Cadillac Seville	Spec	I	74	71	65	
1977-1979	American Pacer	S W	SC	75	68		
1977-1979	Pontiac Catalina	S W	I	75	63		
1977-1979	Pontiac Bonneville	2-Dr	I	76	70	73	
1977-1979	Plymouth Volare	S W	I	79	70	72	69
1977	Buick Century	4-Dr	I	82	78	68	
1977-1979	Plymouth Volare	4-Dr	I	87	78	75	69

**Numbers reflect the frequency of claims for each model relative to the value 100 which represents the average for all models.*

Source: Highway Loss Data Institute.

Relative Injury Claim Frequencies, Personal Injury Protection Coverages 1977-1979 Models with the Worst Loss Experience

Model Years	Make & Series	Body Style	Car Size	Relative Claim Frequencies By Size of Claim* All	Over $250	Over $500	Over $1,000
1977-1979	Datsun 200 SX	2-Dr	SC	171	161	156	
1977-1979	Plymouth Arrow	2-Dr	SC	169	180		
1977-1978	Datsun F-10	2-Dr	SC	157			
1977-1979	Dodge Colt	2-Dr	SC	151	158		
1977-1979	Mazda GLC	**	SC	149	149	137	
1977-1979	Dodge Colt	4-Dr	SC	146			
1977-1978	Datsun F-10	S W	SC	144			
1977-1979	Datsun B-210	**	SC	144	145	141	135
1979	Ford Mustang	2-Dr	SC	141	137	140	123
1977-1979	Subaru DL	2-Dr	SC	140			
1978-1979	Ford Fiesta	2-Dr	SC	138	147	136	
1977-1979	Honda Civic	2-Dr	SC	137	140	137	131
1977-1979	Toyota Corolla	**	SC	135	128	128	128
1979	Mercury Capri	2-Dr	SC	135			
1977	Chevrolet Vega	2-Dr	SC	135	139		
1977-1979	Mercury Bobcat	2-Dr	SC	134	127		
1977	Pontiac Astre	2-Dr	SC	132			
1977-1979	Datsun 810	4-Dr	C	131			
1979	Plymouth Horizon	2-Dr	SC	131			
1977-1979	Honda Civic	S W	SC	123	154		
1977-1978	Toyota Corona	**	SC	111	130		
1977-1979	Cadillac DeVille 2-Dr	Spec	FS	89	112	125	133

**Numbers reflect the frequency of claims for each model relative to the value 100 which represents the average for all models.*

***Body Style not determined from Vehicle Identification Number.*

Source: Highway Loss Data Institute.

INSURED AUTOMOBILE THEFT LOSSES

Sports cars and specialty models are by far the favorite targets of car thieves, according to a study by the Highway Loss Data Institute (HLDI) of theft records for 1979 and 1980 private passenger vehicles. Generally, 2-door cars were found to have a higher frequency of theft losses and higher average claim sizes than corresponding 4-door models.

The study took into account the complete spectrum of theft losses occurring under comprehensive insurance coverages, ranging from the theft of items from the car to the theft of the car itself.

HLDI said that while theft losses generally increase with increasing car size, the car with the worst overall theft loss experience in both model years was the Chevrolet Corvette — a subcompact sports car. The 1980 Corvette's claim frequency was more than four times the average for all cars and its average loss payment per claim, more than $4,500, was considerably higher than that of any other model.

The best overall results were those of the 1980 Dodge Colt, which also had the lowest theft claim frequency of any 1980 model, and the 1979 4-door Buick Skylark. The 1979 models with the lowest claim frequency rates were the 4-door Plymouth Horizon, the 4-door Dodge Omni and the Datsun B210 station wagon.

HLDI lists 11 cars whose average loss payment per insured vehicle year was at least three times worse than average in either model year. Of the 11, nine are specialty models and two are sports cars.

The table below reflects the findings, by car size, relative to the results for all vehicles combined.

Loss Experience Summary by Vehicle Size and Model Year — Theft Losses

Car Size Group	Relative Claim Frequency* 1980 Models	Relative Claim Frequency* 1979 Models	Relative Average Loss Payment per Claim 1980 Models	Relative Average Loss Payment per Claim 1979 Models	Relative Average Loss Payment per Insured Vehicle Year 1980 Models	Relative Average Loss Payment per Insured Vehicle Year 1979 Models
Small Subcompact	58	44	85	113	49	50
Subcompact	76	56	113	142	86	80
Small Compact	54	73	63	62	34	46
Compact	159	105	94	108	149	113
Intermediate	174	165	113	75	196	124
Full Size	190	150	227	195	433	294
All Cars	100	100	100	100	100	100
Actual Value of 100 Base	=15.1	=21.4	=$1,073	=$848	=$16.2	=$18.1

*Frequency of claims per 1,000 vehicle years.

Source: Highway Loss Data Institute.

INJURIES AND DEATHS AT WORK

The number of on-the-job fatalities in the United States declined in 1980 for the first time in four years. National Safety Council data reflect a 3.3 per cent decline in fatalities and a 4.3 per cent drop in work-related injuries.

The improved experience, combined with an increase in the employed labor force, resulted in reductions in both death and injury rates in the nation's workplace.

Work Fatalities and Injuries 1950-1980

Year	Employed Labor Force (Millions)	Fatalities	Fatalities per 100,000 Workers	Injuries	Injuries per 100,000 Workers
1950	58.9	15,500	26.3	1,950,000	3,211
1960	65.8	13,800	21.0	1,950,000	2,964
1970	78.6	13,800	17.6	2,200,000	2,798
1975	84.8	13,000	15.3	2,200,000	2,594
1977	90.5	12,900	14.2	2,300,000	2,540
1978	94.4	13,100	13.8	2,200,000	2,331
1979	96.9	13,300	13.7	2,300,000	2,374
1980	97.3	13,000	13.4	2,200,000	2,262

Sources: Bureau of Labor Statistics; National Safety Council.

ECONOMIC LOSSES, ACCIDENTS AT WORK

Dollar losses resulting from accidents at work jumped by some 11 per cent in 1980 to reach a record $28 billion. While this economic loss figure has been rising steadily, the increase should be interpreted in terms of trends in the nation's economy. Specifically, the work force has increased steadily while the value of the dollar has just as steadily declined. Applying these factors in terms of a constant 1967 dollar, the cost of occupational accidents averaged $116.58 in 1980 as compared to $58.85 per worker in 1950.

The cost of work accidents includes wages lost and medical expenses, as well as indirect loss resulting from damage to equipment and materials, production delays, time lost by workers not involved in the accident, and the administrative costs of insurance.

Economic Losses* from Work Accidents 1950-1980

Year	Economic Loss	Year	Economic Loss
1950	$ 2,500,000,000	**1977**	$18,600,000,000
1960	4,400,000,000	**1978**	21,200,000,000
1970	8,000,000,000	**1979**	25,200,000,000
1975	14,000,000,000	**1980**	28,000,000,000

* *Figures do not include direct losses in business fires.*

Source: National Safety Council.

CRIMES AGAINST PROPERTY

The dollar cost of crime continues to run into the billions. Data of the Federal Bureau of Investigation reflected an increase of 9.4 per cent in the overall crime index in 1980.

The FBI said the number of crimes against property, of which business and industry are major victims, increased 10.4 per cent in 1980. Dollar losses from the crimes of robbery, burglary, larceny and motor vehicle theft alone rose more than 28 per cent to $9.03 billion, the FBI said.

But the overall cost of crime clearly is much higher when other kinds of offenses, including such costly crimes as embezzlement, arson and vandalism are taken into account.

Late in 1980, the FBI released its first data on arson as a "Part I" crime. Its report included data only on confirmed arson or attempted arson and excluded fires of suspicious origin. The FBI said it received complete reports on 115,059 arson offenses in 1980, with dollar losses estimated at more than $891 million. (The National Fire Protection Association put the cost of incendiary and suspicious fires in 1980 at some $1.76 billion.)

While the total cost of embezzlement and other white collar crimes is not readily measurable, the American Management Association's Crimes Against Business Project as long ago as 1977 estimated the cost of non-violent crimes by individuals against business at $30 billion to $40 billion a year.

Crimes against property reported by the FBI in 1980:

ROBBERY: 548,810 offenses; property loss $333 million.

BURGLARY: 3,759,200 offenses; property loss $3.3 billion.

LARCENY-THEFT: 7,112,700 offenses; property loss $2.2 billion.

MOTOR VEHICLE THEFT: 1,114,651 offenses; property loss $3.2 billion.

Crimes Against Property, 1971-1980

Year	Robbery	Burglary	Larceny-Theft
1971	387,700	2,399,300	4,424,200
1972	376,290	2,375,500	4,151,200
1973	384,220	2,565,500	4,347,900
1974	442,400	3,039,200	5,262,500
1975	464,970	3,252,100	5,977,700
1976	420,210	3,089,800	6,270,800
1977	404,850	3,052,200	5,905,700
1978	417,940	3,104,500	5,983,400
1979	466,880	3,299,500	6,577,500
1980	548,810	3,759,200	7,112,700

For additional data on automobile thefts, see page 65.

Source: Federal Bureau of Investigation.

MOTOR VEHICLE THEFTS

Motor vehicle thefts in the United States rose about 1.6 per cent in 1980, although decreases were recorded in 26 states and the District of Columbia. Countrywide, the ratio of vehicles stolen to vehicles registered improved from one of every 143 vehicles in 1979 to one of every 145 vehicles in 1980.

Motor Vehicle Registrations and Thefts 1971-1980

Year	Motor Vehicle Registrations*	Thefts*	Ratio of Vehicles Stolen/Regist.	Thefts per 100,000 Registrations
1971	116,266,238	942,900	1 in 123	811
1972	122,421,440	882,200	1 in 139	721
1973	129,774,378	925,713	1 in 140	713
1974	134,904,676	977,068	1 in 138	724
1975	139,221,000	1,000,455	1 in 139	719
1976	142,397,000	957,599	1 in 149	673
1977	148,880,000	968,340	1 in 154	650
1978	153,637,000	991,611	1 in 155	646
1979	157,226,178	1,097,189	1 in 143	698
1980	161,614,294	1,114,651	1 in 145	690

**Includes motorcycles.*

Sources: Federal Bureau of Investigation; Federal Highway Administration.

Motor Vehicle Thefts by States 1979-1980

	1980	1979	% Change		1980	1979	% Change
Alabama	12,210	12,064	+ 1.2	Montana	2,514	2,447	+ 2.7
Alaska	2,469	2,501	− 1.3	Nebraska	3,810	4,296	− 11.3
Arizona	12,852	12,085	+ 6.3	Nevada	5,429	4,945	+ 9.8
Arkansas	4,273	4,225	+ 1.1	New Hampshire	2,848	2,882	− 1.2
California	174,834	167,563	+ 4.3	New Jersey	53,563	51,045	+ 4.9
Colorado	12,903	13,345	− 3.3	New Mexico	4,542	4,433	+ 2.5
Connecticut	21,014	21,905	− 4.1	New York	133,041	124,343	+ 7.0
Delaware	2,707	2,882	− 6.1	North Carolina	12,631	12,523	+ .9
District of Columbia	3,602	3,606	− .1	North Dakota	1,169	1,067	+ 9.6
Florida	45,682	38,298	+ 19.3	Ohio	45,945	47,099	− 2.5
Georgia	20,115	21,304	− 5.6	Oklahoma	12,610	12,355	+ 2.1
Hawaii	5,905	6,546	− 9.8	Oregon	9,406	9,759	− 3.6
Idaho	2,235	2,460	− 9.1	Pennsylvania	49,465	45,679	+ 8.3
Illinois	56,652	60,327	− 6.1	Rhode Island	7,979	7,367	+ 8.3
Indiana	23,602	23,381	+ .9	South Carolina	9,379	8,684	+ 8.0
Iowa	7,205	7,829	− 8.0	South Dakota	1,160	1,199	− 3.3
Kansas	6,398	6,479	− 1.3	Tennessee	16,505	16,091	+ 2.6
Kentucky	9,131	9,035	+ 1.1	Texas	79,088	72,836	+ 8.6
Louisiana	15,811	16,421	− 3.7	Utah	4,720	4,587	+ 2.9
Maine	2,462	2,610	− 5.7	Vermont	1,508	1,662	− 9.3
Maryland	18,887	20,232	− 6.6	Virginia	12,130	12,826	− 5.4
Massachusetts	60,241	66,051	− 8.8	Washington	16,272	17,057	− 4.6
Michigan	53,979	55,440	− 2.6	West Virginia	3,855	3,799	+ 1.5
Minnesota	12,016	13,366	− 10.1	Wisconsin	11,479	12,587	− 8.8
Mississippi	4,480	4,013	+ 11.6	Wyoming	1,619	1,635	− 1.0
Missouri	20,319	19,988	+ 1.7				

Source: Federal Bureau of Investigation.

AIRCRAFT ACCIDENTS

U.S. commercial airlines achieved a dramatic improvement in their accident record in 1980, according to preliminary data from the National Transportation Safety Board. Total accidents dropped by more than a third from 32 in 1979 to a record low of 20 in 1980. The airlines recorded only two fatal accidents in 1980, and fatalities plunged from 355 to 14, far below the previous modern-day record low of 45 in 1976. The accident rate fell from .011 to .007 per million aircraft miles.

Accidents in general aviation—aircraft other than large commercial cargo and passenger planes — declined by 6 per cent in 1980 to 3,799. It was the first time in more than two decades that the accident figure was below 4,000. While the accident rate dropped from .74 to .73 per million miles, the fatal accident rate rose slightly from .125 to .130 per million miles.

U.S. Air Carrier Accidents, 1971-1980

Year	Miles Flown	Accidents	Fatal Accidents	Fatalities
1971	2,660,731,000	48	8	203
1972	2,619,043,000	50	8	190
1973	2,646,669,000	43	9	227
1974	2,464,295,000	47	9	467
1975	2,477,764,000	45	3	124
1976	2,568,113,000	28	4	45
1977	2,684,072,000	26	5	655
1978	2,793,697,000	24	6	163
1979	2,899,031,000	32	6	355
1980	3,035,600,000	20	2	14

Source: National Transportation Safety Board (1980 figures are preliminary estimates).

General Aviation Accidents, 1971-1980

Year	Miles Flown	Accidents	Fatal Accidents	Fatalities
1971	3,143,181,000	4,648	661	1,355
1972	3,317,100,000	4,256	695	1,426*
1973	3,686,802,000	4,255	723	1,412
1974	3,863,799,000	4,425	729	1,438
1975	3,938,952,000	4,237	675	1,345
1976	4,172,406,000	4,193	695	1,320
1977	4,402,126,000	4,286	702	1,436
1978	4,965,534,000	4,494	793	1,770*
1979	5,470,542,000	4,051	682	1,382
1980	5,203,800,000	3,799	677	1,375

**Includes commercial aircraft fatalities (1972-5, 1978-142) when in collision with general aviation aircraft.*

Source: National Transportation Safety Board (1980 figures are preliminary estimates).

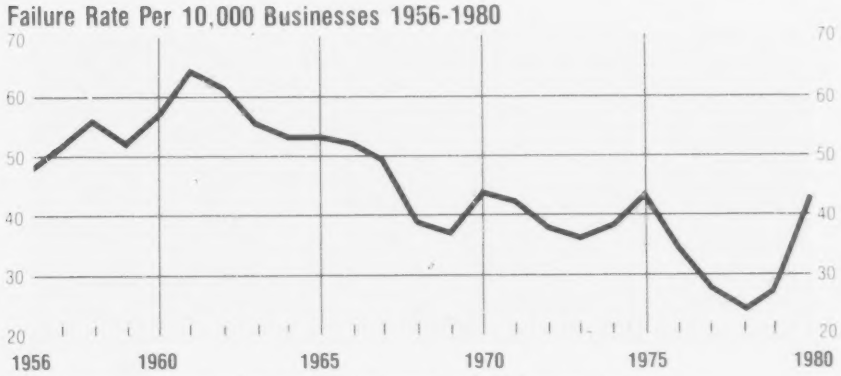
BUSINESS FAILURE TRENDS

The number of business failures in the United States rose by 55 per cent in 1980, to 11,742 from 7,564 in 1979. The number of failures was the largest since 1967. The failure rate increased from 28 to 42 per 10,000 businesses.

The overall cost of business failures jumped by 74 per cent from $2.67 billion to a record $4.64 billion, and the average cost per failure rose 12 per cent from $352,639 to $394,744.

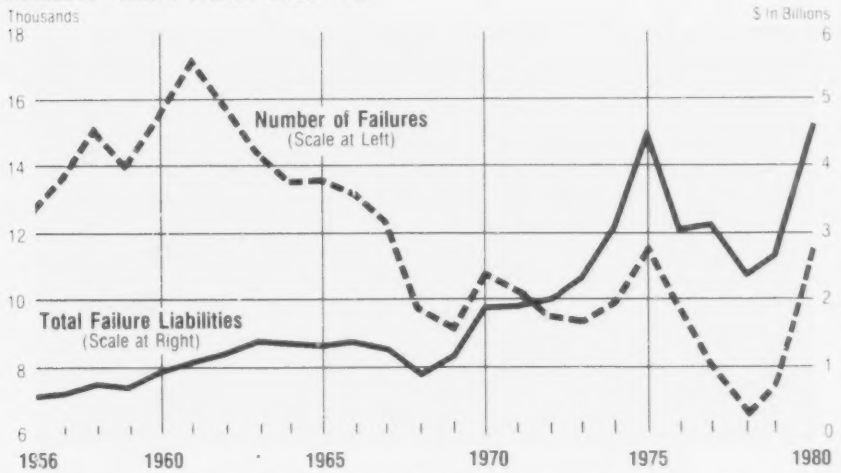
A spokesman for Dun & Bradstreet attributed the substantial rise in business failures to a general slowdown in the economy. The automobile and construction industries were hardest hit. Also, layoffs in these and other industries affected retail buying power as well as sales of building materials and home furnishings.

Failure Rate Per 10,000 Businesses 1956-1980



Source: Insurance Information Institute, based on data provided by Dun & Bradstreet, Inc.

Business Failure Trends 1956-1980



Source: Insurance Information Institute, based on data provided by Dun & Bradstreet, Inc.

HEALTH INSURANCE BENEFITS

Private insurance companies pay about 52 per cent of the nation's billions of dollars of health insurance benefits. Private insurers paid some $29.5 billion in such benefits in 1979, the latest year for which such statistics were available. Blue Cross, Blue Shield and other hospital-medical plans paid about $27.7 billion. A review by the Health Insurance Institute disclosed that in 1979 the average cost to hospitals per patient stay ranged from a low of $1,153.30 in Arkansas to highs of $3,131.40 in the District of Columbia and $2,734.40 in Massachusetts. The range on the basis of the average cost to hospitals of a day's stay was from $167.90 in Montana to $466.80 in Alaska.

Countrywide, the average hospital cost per day increased 12 per cent from $221.90 in 1978 to $248.60 in 1979.

Health Insurance Benefits Paid
1979

	Paid by Insurance Co's. (in thousands)	Paid by Blue Cross, Blue Shield & Others (in thousands)	Average Cost to Hospital per Patient Day	Average Length Hospital Stay in Days	Average Cost to Hospital per Patient Stay
Alabama	$ 351,000	$ 390,000	$ 198.90	7.0	1,392.30
Alaska	41,000	6,000	466.80	5.7	2,660.80
Arizona	344,000	137,000	284.00	7.1	2,016.40
Arkansas	157,000	156,000	180.20	6.4	1,153.30
California	3,030,000	3,240,000	376.40	6.6	2,484.20
Colorado	287,000	229,000	259.00	6.8	1,761.20
Connecticut	439,000	438,000	293.10	7.5	2,198.30
Delaware	69,000	122,000	253.50	8.3	2,104.10
District of Columbia	138,000	496,000	368.40	8.5	3,131.40
Florida	1,073,000	341,000	240.90	7.4	1,782.70
Georgia	628,000	262,000	219.00	6.4	1,401.60
Hawaii	49,000	224,000	263.70	7.5	1,977.70
Idaho	63,000	79,000	213.90	6.1	1,304.80
Illinois	1,713,000	1,097,000	274.90	7.9	2,171.70
Indiana	612,000	633,000	217.50	7.6	1,653.00
Iowa	270,000	359,000	200.20	7.4	1,481.50
Kansas	219,000	317,000	205.40	7.5	1,540.50
Kentucky	242,000	383,000	183.60	6.8	1,248.50
Louisiana	453,000	250,000	231.30	6.4	1,480.30
Maine	85,000	110,000	227.00	7.9	1,793.30
Maryland	349,000	496,000	272.00	8.4	2,284.80
Massachusetts	506,000	1,085,000	314.30	8.7	2,734.40
Michigan	1,119,000	2,221,000	280.90	7.9	2,219.10
Minnesota	422,000	295,000	196.60	9.1	1,789.10
Mississippi	2[illegible],000	100,000	169.80	6.8	1,154.60

Health Insurance Benefits (continued)

	Paid by Insurance Insurance Co's. (in thousands)	Paid by Blue Cross, Blue Shield & Others (in thousands)	Average Cost to Hospital per Patient Day	Average Length Hospital Stay in Days	Average Cost to Hospital per Patient Stay
Missouri	$ 601,000	$ 568,000	$ 220.20	8.2	$1,805.60
Montana	70,000	61,000	167.90	7.9	1,326.40
Nebraska	159,000	147,000	192.00	8.0	1,536.00
Nevada	114,000	22,000	328.80	6.3	2,071.40
New Hampshire	69,000	92,000	218.20	7.1	1,549.20
New Jersey	693,000	879,000	219.40	8.7	1,908.80
New Mexico	115,000	57,000	266.30	5.8	1,544.50
New York	1,724,000	3,489,000	268.80	9.7	2,607.40
North Carolina	478,000	446,000	191.70	7.4	1,418.60
North Dakota	48,000	97,000	170.30	8.6	1,464.60
Ohio	1,281,000	1,754,000	241.00	7.9	1,903.90
Oklahoma	287,000	162,000	227.80	6.6	1,503.50
Oregon	227,000	379,000	291.90	6.0	1,751.40
Pennsylvania	929,000	2,217,000	244.30	8.3	2,027.70
Rhode Island	42,000	189,000	280.90	8.0	2,247.20
South Carolina	241,000	198,000	188.50	7.0	1,319.50
South Dakota	66,000	23,000	184.70	6.4	1,182.10
Tennessee	465,000	413,000	194.00	7.1	1,377.40
Texas	1,816,000	701,000	221.40	6.6	1,461.20
Utah	116,000	99,000	268.10	5.3	1,420.90
Vermont	37,000	63,000	194.80	7.9	1,538.90
Virginia	396,000	516,000	208.80	8.0	1,670.40
Washington	297,000	564,000	281.70	5.6	1,577.50
West Virginia	183,000	314,000	192.10	7.2	1,383.10
Wisconsin	437,000	638,000	220.50	8.1	1,786.10
Wyoming	44,000	37,000	234.90	5.1	1,198.00
Countrywide	$29,562,000*	$27,697,000	$248.60	7.6	$1,889.40
1978 Totals	$26,300,000*	$24,307,000	$221.90	7.6	$1,686.40

**Includes $5.674 billion for 1979 and $5.003 billion for 1978 in Administrative Service Agreement benefit payments not allocated by state.*

Source: Health Insurance Institute.

7 Laws Affecting Motorists

AUTOMOBILE FINANCIAL RESPONSIBILITY AND COMPULSORY LAWS

Most states have laws, commonly known as financial responsibility laws, under which a person involved in an automobile accident may be required to furnish proof of financial responsibility (usually done in the form of automobile liability insurance) up to certain minimum dollar limits. The provinces of Canada have similar laws. Mexico has no financial responsibility law as such, but requires an auto liability insurance policy written with a Mexican company.

More than half the states have laws requiring registered car owners to have liability insurance or, in some cases, some other approved form of security. These "compulsory" auto insurance laws are in effect in California, Colorado, Connecticut, Delaware, Georgia, Hawaii, Idaho, Kansas, Kentucky, Louisiana, Maryland, Massachusetts, Michigan, Minnesota, Montana, Nevada, New Jersey, New York, North Carolina, North Dakota, Oklahoma, Oregon, Pennsylvania, South Carolina, Utah, West Virginia and Wyoming. In Texas, a similar law was enacted in 1981, effective Jan. 1, 1982. Florida requires its car owners to have first-party "personal injury protection" insurance.

Every state has either a financial responsibility law or a "compulsory" law. Many have both kinds of statutes.

Even where ownership of automobile liability insurance is not compulsory, the existence of the financial responsibility laws, along with the ever-present threat of a financially crippling judgment in the event of an accident, has come to make the possession of automobile liability insurance a virtual necessity for most motorists.

Nevertheless, there are many motorists who are considered doubtful risks or whose poor driving records label them as obviously bad insurance risks. In all states, there are procedures through which such persons are able to obtain coverage. For additional information about these procedures, see "Automobile Insurance Plans," page 33.

Automobile Financial Responsibility/Compulsory Limits

State	Liability Limits*	State	Liability Limits*
Alabama	10/20/5	Rhode Island	25/50/10
Alaska	25/50/10	South Carolina	15/30/5
Arizona	15/30/10	South Dakota	15/30/10
Arkansas	25/50/15	Tennessee	10/20/5
California	15/30/5	Texas	10/20/5
Colorado	15/30/5	Utah	15/30/5[2]
Connecticut	20/40/5	Vermont	20/40/10
Delaware	10/20/5	Virginia	25/50/10
District of Columbia	10/20/5	Washington	25/50/10
Florida	10/20/5	West Virginia	20/40/10
Georgia	10/20/5	Wisconsin	15/30/10
Hawaii	25/unlimited/10	Wyoming	10/20/5
Idaho	10/20/5		
Illinois	15/30/10	**CANADA**	
Indiana	15/30/10		
Iowa	15/30/10	Alberta	$100,000 inclusive**
Kansas	25/50/10		
Kentucky	10/20/5	British Columbia	$100,000 inclusive**
Louisiana	5/10/5		
Maine	20/40/10	Manitoba	$50,000 inclusive**
Maryland	20/40/10		
Massachusetts	10/20/5	New Brunswick	$100,000 inclusive**
Michigan	20/40/10		
Minnesota	25/50/10	Newfoundland	$75,000 inclusive**
Mississippi	10/20/5		
Missouri	10/20/2	Northwest Territories	$50,000 inclusive**
Montana	25/50/5		
Nebraska	15/30/10	Nova Scotia	$100,000 inclusive**
Nevada	15/30/5		
New Hampshire	25/50/25	Ontario	$200,000 inclusive**
New Jersey	15/30/5		
New Mexico	15/30/5	Prince Edward Island	$100,000 inclusive**
New York	10/20/5[1]		
North Carolina	25/50/10	Quebec	$50,000 property damage[3]
North Dakota	25/50/10		
Ohio	12.5/25/7.5	Saskatchewan	$100,000 inclusive**
Oklahoma	10/20/10		
Oregon	15/30/5	Yukon	$75,000 inclusive**
Pennsylvania	15/30/5		

* *The first two figures refer to bodily injury liability limits and the third figure to property damage liability. For example, 10/20/5 means coverage up to $20,000 for all persons injured in an accident, subject to a limit of $10,000 for one individual, and $5,000 coverage for property damage.*

** *"Inclusive" means that the amount of liability insurance shown is available to settle either bodily injury or property damage claims—or both.*

[1]50/100 in cases of wrongful death. [2]May be $25,000 single limit.

Quebec has a complete no-fault system for bodily injury claims, scaled down for non-residents in proportion to their degree of fault. The $50,000 limit relates to liability for damage to property in Quebec and to liability for bodily injury and property damage outside Quebec.

Sources: American Insurance Association; Insurance Bureau of Canada.

"NO-FAULT" AUTOMOBILE INSURANCE

A major change in the biggest single line of property and liability insurance—automobile insurance—has been in the making since the early Seventies. Widespread dissatisfaction with the operation of the traditional tort liability system, under which recoveries by accident victims of their losses are often dependent upon proving who caused the accident, has led to the adoption of "first-party" laws by about half the states and consideration of similar action by most of the other states.

A number of states have enacted laws mandating the purchase of auto liability insurance and a form of "no-fault" insurance which permits accident victims to recover such financial losses as medical and hospital expenses and lost income from their own insurance companies. Most of those states also have some restrictions on the right to sue. Several other state laws make optional the purchase of "first party" coverages up to specified minimum limits.

Several proposals for federal "no-fault" legislation have been considered, but not adopted, by Congress.

Among the states which have adopted forms of "no-fault" auto insurance, the major variations involve: dollar limits on medical and hospital expenses (unlimited in some states), funeral and burial expenses, lost income and the amount to be paid a person hired to perform essential services that an injured non-income producer is unable to perform; also, conditions governing the right to sue which usually include death, serious injury and a point at which medical expenses reach a stipulated amount.

Jurisdictions which have forms of "first-party" auto insurance and the dates on which the laws originally became effective, follow.

Compulsory first-party/liability insurance; some restrictions on lawsuits

Colorado, April 1, 1974	Kentucky, July 1, 1975	New York, February 1, 1974
Connecticut, January 1, 1973	Massachusetts, January 1, 1971	North Dakota, January 1, 1976
Georgia, March 1, 1975	Michigan, October 1, 1973	Pennsylvania, July 19, 1975
Hawaii, September 1, 1974	Minnesota, January 1, 1975	Utah, January 1, 1974
Kansas, January 1, 1974	New Jersey, January 1, 1973	

Compulsory first-party, optional liability insurance; some restrictions on lawsuits

Florida, January 1, 1972	Puerto Rico, 1970

Compulsory first-party and liability insurance; no restrictions on lawsuits

Delaware, January 1, 1972	Maryland, January 1, 1973	Oregon, January 1, 1972

Compulsory liability, optional first-party insurance; no restrictions on lawsuits

South Carolina, October 1, 1974

Insurance not compulsory; first-party benefits optional, no restrictions on lawsuits

Arkansas, July 1, 1974	South Dakota, January 1, 1972	Virginia, January 1, 1972
New Hampshire, October 1, 1971	Texas, August 27, 1973	

THE REGULATION OF INSURANCE

The business of property and casualty insurance is subject to two powerful forms of control: a high intensity of competition among insurance companies and strict regulation state by state.

The degree of competition is reflected by the fact that in a field which is served by more than 2,900 companies, no single company or group has more than 7.5 per cent of the property/liability insurance market. The 10 largest companies combined have only a little more than a third of the market.

As a business which is inherently linked with the public interest, property and casualty insurance is closely regulated by designated authorities in every state and in other jurisdictions. Also, certain insurer activities are subject to regulation by federal agencies.

In essence, the basic charge to which the state regulatory authorities are committed is to assure the continued solvency of each company in order that it might be ready to discharge its obligation to policyholders, to ascertain that customers are neither overcharged nor unfairly discriminated against, and to regulate the business in a way that will encourage the companies to make essential insurance protection as readily available to the public as is practicable.

The procedures for reviewing and effectuating property and casualty rates include, in many states, the requirement that rates be approved in advance by the regulator. In a number of other states, rate changes generally may be made without prior approval. In those states, rates are subject to the forces of competition among insurers and to subsequent review by the regulator to assure that they are not inadequate, excessive or unfairly discriminatory.

Greater reliance on price competition is the objective of a model rating law adopted in December, 1980, by the National Association of Insurance Commissioners, the organization of state regulators. With some variations, the NAIC followed recommendations of an advisory committee, made up of insurance buyers and consumer representatives, as well as insurance people, which had been charged with studying the merits of competitive pricing. The committee pointed to "properly structured" price competition as "the most effective way to assure the availability of property/casualty insurance at costs that are fair, reasonable and not excessive."

The State Regulatory Authorities

Alabama: Tharpe Forrester, Commissioner of Insurance, 64 North Union Street, Montgomery, Alabama 36130. Tel. 205-832-6140.

Alaska: Kenneth C. Moore, Director of Insurance, Pouch "D," Juneau, Alaska 99811. Tel. 907-465-2515.

Arizona: J. Michael Low, Director of Insurance, 1601 West Jefferson, Phoenix, Arizona 85007. Tel. 602-255-4862.

Arkansas: William H.L. Woodyard III, Insurance Commissioner, 400-18 University Tower Building, Little Rock, Arkansas 72204. Tel. 501-371-1325.

California: Robert C. Quinn, Insurance Commissioner, 100 Van Ness Avenue, San Francisco, California 94102. Tel. 415-557-3245.

Colorado: J. Richard Barnes, Commissioner of Insurance, 106 State Office Building, Denver, Colorado 80203. Tel. 303-866-3201.

Connecticut: Joseph C. Mike, Insurance Commissioner, Room 425 State Office Building, Hartford, Connecticut 06115. Tel. 203-566-5275.

Delaware: David Elliott, Insurance Commissioner, 21 The Green, Dover, Delaware, 19901. Tel 302-736-4251.

District of Columbia: James R. Montgomery III, Acting Superintendent of Insurance, 614 H Street, N.W., Suite 512, Washington, D.C. 20001. Tel. 202-727-1273.

Florida: Bill Gunter, Insurance Commissioner, State Capitol, Plaza Level 2, Tallahassee, Florida 32301. Tel. 904-488-3440.

Georgia: Johnnie L. Caldwell, Insurance Commissioner, 238 State Capitol, Atlanta, Georgia 30334. Tel. 404-656-2056.

Guam: Jose R. Rivera, Insurance Commissioner, P.O. Box 2796, Agana, Guam 96910.

Hawaii: Dr. Mary C. Bitterman, Director, Department of Regulatory Agencies, P.O. Box 541, Honolulu, Hawaii 96809. Tel. 808-548-7505.

Idaho: Trent M. Woods, Director of Insurance, 700 West State Street, Boise, Idaho 83720. Tel. 208-334-2250.

Illinois: Philip R. O'Connor, Director of Insurance, 320 West Washington Street, 4th Floor, Springfield, Illinois 62767. Tel. 217-782-4515.

Indiana: Donald H. Miller, Commissioner of Insurance, 509 State Office Building, Indianapolis, Indiana 46204. Tel. 317-232-2386.

Iowa: Bruce W. Foudree, Commissioner of Insurance, State Office Building, G23 Ground Floor, Des Moines, Iowa 50319. Tel. 515-281-5705.

Kansas: Fletcher Bell, Commissioner of Insurance, State Office Building, 1st Floor, Topeka, Kansas 66612. Tel. 913-296-3071.

Kentucky: Daniel D. Briscoe, Insurance Commissioner, 151 Elkhorn Ct., Frankfort, Kentucky 40601. Tel. 502-564-3630.

Louisiana: Sherman A. Bernard, Commissioner of Insurance, 950 North 5th Street, Baton Rouge, Louisiana 70801. Tel. 504-342-5328.

Maine: Theodore T. Briggs, Superintendent of Insurance, State Office Building, Augusta, Maine 04333. Tel. 207-289-3101.

Maryland: Edward J. Birrane Jr., Insurance Commissioner, One South Calvert Building, Baltimore, Maryland 21202. Tel. 301-659-6300.

Massachusetts: Michael J. Sabbagh, Commissioner of Insurance, 100 Cambridge Street, Boston, Massachusetts 02202. Tel. 617-727-3333.

Michigan: Nancy A. Baerwaldt, Commissioner of Insurance, 1048 Pierpont Street, P.O. Box 30220, Lansing, Michigan 48909. Tel. 517-374-9724.

Minnesota: Michael D. Markman, Commissioner of Insurance, 500 Metro Square Building, St. Paul, Minnesota 55101. Tel. 612-296-6907.

Mississippi: George Dale, Commissioner of Insurance, 1804 Walter Sillers Building, P.O. Box 79, Jackson, Mississippi 39205. Tel. 601-354-7711.

Missouri: C. Donald Ainsworth, Director of Insurance, 515 East High Street, P.O. Box 690, Jefferson City, Missouri 65102. Tel. 314-751-2451.

Montana: Elmer V. Omholt, Commissioner of Insurance, Mitchell Building, P.O. Box 4009, Helena, Montana 59601. Tel. 406-449-2996.

Nebraska: Walter D. Weaver, Director of Insurance, 301 Centennial Mall South, Lincoln, Nebraska 68509. Tel. 402-471-2201, Ext. 238.

Nevada: Patsy Redmond, Insurance Commissioner, Nye Building, Carson City, Nevada 89710. Tel. 702-885-4270.

New Hampshire: Frank E. Whaland, Insurance Commissioner, 169 Manchester Street, Concord, New Hampshire 03301. Tel. 603-271-2261.

New Jersey: James J. Sheeran, Commissioner of Insurance, 201 East State Street, Trenton, New Jersey 08625. Tel. 609-292-5363.

New Mexico: Vicente Jasso, Superintendent of Insurance, P.O. Drawer 1269, Santa Fe, New Mexico 87501. Tel. 505-827-2451.

New York: Albert B. Lewis, Superintendent of Insurance, Two World Trade Center, New York, New York 10047. Tel. 212-488-4124.

North Carolina: John R. Ingram, Commissioner of Insurance, P.O. Box 26387, Raleigh, North Carolina 27611. Tel. 919-733-7343.

North Dakota: J.O. Wigen, Commissioner of Insurance, Capitol Building, Fifth Floor, Bismarck, North Dakota 58505. Tel. 701-224-2444.

Ohio: Robert L. Ratchford, Director of Insurance, 2100 Stella Court, Columbus, Ohio 43215. Tel. 614-466-2691.

Oklahoma: Gerald Grimes, Insurance Commissioner, 408 Will Rogers Memorial Building, Oklahoma City, Oklahoma 73105. Tel. 405-521-2828.

Oregon: Josephine M. Driscoll, Acting Insurance Commissioner, 158 12th Street, N.E., Salem, Oregon 97310. Tel. 503-378-4271.

Pennsylvania: Michael L. Browne, Commissioner of Insurance, Strawberry Square, Harrisburg, Pennsylvania 17120. Tel. 717-787-5173.

Puerto Rico: Rolando Cruz, Commissioner of Insurance, Old San Juan Station, P.O. Box 3508, San Juan, Puerto Rico 00904. Tel. 809-724-6565.

Rhode Island: Thomas J. Caldarone Jr., Insurance Commissioner, 100 North Main Street, Providence, Rhode Island 02903. Tel. 401-277-2223.

South Carolina: Rogers T. Smith, Insurance Commissioner, 2711 Middleburg Drive, Columbia, South Carolina 29204. Tel. 803-758-3266.

South Dakota: Henry J. Lussem Jr., Director of Insurance, Insurance Building, Pierre, South Dakota 57501. Tel. 605-773-3563.

Tennessee: John C. Neff, Commissioner of Insurance, 114 State Office Building, Nashville, Tennessee 37219. Tel. 615-741-2241.

Texas: E.J. Voorhis, Commissioner of Insurance, 1110 San Jacinto Boulevard, Austin, Texas 78786. Tel. 512-475-2273.

Utah: Roger C. Day, Commissioner of Insurance, 326 South 5th East, Salt Lake City, Utah 84102. Tel. 801-533-5611.

Vermont: George A. Chaffee, Commissioner of Insurance, State Office Building, Montpelier, Vermont 05602. Tel. 802-828-3301.

Virgin Islands: Henry A. Millin, Commissioner of Insurance, P.O. Box 450, Charlotte Amalie, St. Thomas, Virgin Islands 00801. Tel. 809-774-2991.

Virginia: William G. Flournoy, Interim Commissioner of Insurance, 700 Blanton Building, P.O. Box 1157, Richmond, Virginia 23209. Tel. 804-786-6077.

Washington: Dick Marquardt, Insurance Commissioner, Insurance Building AQ21, Olympia, Washington 98504. Tel. 206-753-7301.

West Virginia: Richard G. Shaw, Insurance Commissioner, 2100 Washington Street, East, Charleston, West Virginia 25305. Tel. 304-348-3386.

Wisconsin: Susan Mitchell, Commissioner of Insurance, 123 West Washington Avenue, Madison, Wisconsin 53702. Tel. 608-266-3585.

Wyoming: John T. Langdon, Insurance Commissioner, 2424 Pioneer Avenue, Cheyenne, Wyoming 82002. Tel. 307-777-7401.

DEFINITIONS

Property Insurance: Insurance providing financial protection against the loss of, or damage to, real and personal property caused by such perils as fire, theft, windstorm, hail, explosion, riot, aircraft, motor vehicles, vandalism, malicious mischief, riot and civil commotion, and smoke.

Liability Insurance: Insurance covering the policyholder's legal liability resulting from injuries to other persons or damage to their property.

Life Insurance: Insurance providing for payment of a specified amount on the insured's death, either to his or her estate or to a designated beneficiary; or in the case of an endowment policy, to the policyholder at a specified date.

Accident and Health Insurance: A type of coverage that pays benefits, sometimes including reimbursement for loss of income, in case of sickness, accidental injury or accidental death.

Actual Cash Value: The cost of repairing or replacing damaged property with others of like kind and quality in the same physical condition; commonly defined as replacement cost less depreciation.

Agent: The *independent agent* is an independent businessman who usually represents two or more insurance companies in a sales and service capacity and who is paid on a commission basis. The *exclusive agent* represents only one company, usually on a commission basis. The *direct writer* is the salaried or commissioned employee of a single company.

Aircraft Insurance: Covers property and liability losses arising from the ownership or operation of aircraft.

Allied Lines: A term for forms of insurance allied with property insurance, covering such perils as sprinkler leakage, water damage and earthquake.

Arson: The willful and malicious burning of, or attempt to burn, any structure or other property, often with criminal or fraudulent intent.

Assets: As applicable to insurance, all funds, property, goods, securities, rights of action or resources of any kind owned by an insurance company, less such items as are declared non-admissable for accounting purposes by state laws, including deferred or overdue premiums.

Automobile Insurance Plan: Formerly called and still sometimes referred to as "assigned risk" plan. A program to make automobile insurance available to persons who are unable to obtain such insurance in the voluntary market.

Automobile Liability Insurance: Protection for the insured against financial loss because of legal liability for car-related injuries to others or damage to their property.

Automobile Physical Damage Insurance: Coverage for damages or loss to automobile policyholder, resulting from collision, fire, theft and other perils.

Boiler and Machinery Insurance: Coverage for loss arising out of the operation of pressure, mechanical and electrical equipment. It may cover loss to the boiler and machinery itself, damage to other property, and business interruption losses.

Broker: A marketing specialist who represents buyers of property and liability insurance and who deals with either agents or companies in arranging for the coverage required by the customer.

Burglary: Breaking and entering into another person's property with felonious intent.

Burglary and Theft Insurance: Protection for loss of property due to burglary, robbery or larceny.

Business Interruption Insurance: Protection for a business owner against losses resulting from a temporary shutdown because of fire or other insured peril. The insurance provides reimbursement for lost net profits and necessary continuing expenses.

Catastrophe: In insurance, a term applied to an incident or series of related incidents involving a loss of more than $1 million (more than $5 million, effective Jan. 1, 1982).

Coinsurance: A provision in an insurance policy under which the insured agrees to carry a certain amount of insurance expressed as a percentage of the value of the property. It provides for the full payment, up to the amount of the policy, of all losses if the insurance carried is at least equal to the specified percentage. However, if the insured fails to carry the necessary amount of insurance, he or she assumes a proportionate share of the loss.

Collision Insurance: An automobile insurance coverage against damage to the policyholder's vehicle caused by collision with another car or object or by upset.

Commercial Multiple Peril Policy: A package type of insurance for the commercial establishment that includes a wide range of essential coverages.

Commissioner: A state officer responsible for administering the state's insurance laws and regulations. In some states, the regulator bears the title of director or superintendent of insurance.

Comprehensive Personal Liability Insurance: Protection for an insured against loss arising out of legal liability to pay money for damage or injury to others for which the insured is responsible. Does not include automobile liability or business operations.

Compulsory Insurance: Any form of insurance which is required by law.

Credit Insurance: A guarantee to manufacturers, wholesalers and service organizations that they will be paid for goods shipped or services rendered. Applies to that part of working capital which is represented by accounts receivable.

Crop-Hail Insurance: Protection against damage to growing crops as a result of hail or certain other named perils.

Deductible: An amount which a policyholder agrees to pay, per claim or per accident, toward the total amount of the insured loss. Insurance is written on this basis at reduced rates.

Dividend: (1) An amount returned to a policyholder by an insurance company out of its earnings. (2) In capital stock companies, a share of profits distributed to stockholders.

Earthquake: A trembling or shaking of the earth, often resulting in severe damage.

Economic Loss: The estimated total cost, both insured and uninsured, of mishaps (such as motor vehicle accidents, work accidents and fires). Includes such factors as property damage; medical, hospital and legal costs; funeral expenses; wage loss, and insurance administrative costs.

Extended Coverage Insurance: Protection for the insured against property damage caused by windstorm, hail, smoke, explosion, riot, riot attending a strike, civil commotion, vehicle and aircraft. This is provided in conjunction with the fire insurance policy and the various "package" policies.

FAIR Plan: A facility, operating under a government-insurance industry cooperative program, to make fire insurance and other forms of property insurance readily available to persons who have difficulty obtaining such coverage.

Farmowners-Ranchowners Policy: A package policy for a farm or a ranch, providing property and liability coverages against both personal and business losses.

Federal Crime Insurance: Insurance against burglary, larceny and robbery losses offered by the federal government where the Federal Insurance Administration has determined that such insurance is not otherwise available.

Fidelity Bond: A form of protection which reimburses an employer for losses caused by dishonest or fraudulent acts of employees.

Financial Responsibility Law: A law under which a person involved in an automobile accident may be required to furnish security up to certain minimum dollar limits. Each state has such a law.

Fire Insurance: Coverage for losses caused by fire and lightning, plus resultant damage caused by smoke and water.

Flood Insurance: Coverage against loss resulting from the flood peril.

General Liability Insurance: Coverage that pertains, for the most part, to claims arising out of the insured's liability for injuries or damage caused by ownership of property, manufacturing operations, contracting operations, sale or distribution of products, and the operation of elevators and the like, as well as professional services.

Glass Insurance: Protection for loss or damage to glass and its appurtenances.

Group Insurance: Any insurance plan under which a number of persons and their dependents are insured under a single policy, issued to their employer or to an association with which they are affiliated, with individual certificates given to each insured person.

Guaranty Fund: A fund, derived from assessments against solvent insurance companies, to absorb losses of claimants against insolvent companies.

Health Insurance: Insurance against financial losses resulting from sickness or accidental bodily injury.

Homeowners Policy: A package type of insurance for the home owner that includes coverages ranging from fire and extended coverage, theft and personal liability to "all risk" coverages.

Hurricane: A tropical storm with a wind velocity of 75 or more miles an hour.

Inland Marine Insurance: A broad form of insurance, generally covering articles that may be transported from one place to another as well as bridges, tunnels and other instrumentalities of transportation and communication. It includes goods in transit (generally excepting trans-ocean) as well as numerous "floater" policies such as those covering personal effects, personal property, jewelry, furs, fine arts and others.

Insurance Company: An organization chartered to operate as an insurer.

Insured: Person or organization covered by an insurance policy, including the "named insured" and any other parties for whom protection is provided under the policy terms.

Investment Income: The portion of a company's income which is derived from its investments including interest and dividends on stocks and bonds.

Larceny-Theft: The unlawful taking, carrying, leading or riding away of another person's property.

Liability Limits: The stipulated sum or sums beyond which an insurance company is not liable to protect the insured.

Loss: The basis on which an insurance claim is submitted and/or paid.

Malpractice Insurance: Coverage for a professional practitioner, such as a doctor or a lawyer, against liability claims resulting from alleged malpractice in the performance of the insured's services.

Medical Payments Insurance: A coverage, available in various liability insurance policies, in which the insurer agrees to reimburse the insured and others, without regard for the insured's liability, for medical or funeral expenses incurred as the result of bodily injury or death by accident under specified conditions.

Multiple Peril Insurance: Policies that combine many property and liability coverages in a single "package."

No-fault Automobile Insurance: A form of insurance by which a person's financial losses resulting from an automobile accident, such as medical and hospital expenses and loss of income, are paid by his or her own insurer without concern for who was at fault.

Ocean Marine Insurance: Coverage for sea-going vessels, including liabilities connected with them, and their cargoes.

Package Policy: A single insurance policy that includes several coverages.

Peril: The cause of a loss insured against in a policy.

Policyholder: A person who pays a premium to an insurance company in exchange for the insurance protection provided by a policy of insurance.

Policyholder's Surplus: Sum left after liabilities are deducted from assets. Sums such as paid-in capital and special voluntary reserves are also included in this term. This surplus is an additional financial protection to policyholders in the event a company suffers unexpected or catastrophic losses. In effect, it is the financial base that permits a company to sell insurance.

Premium: The sum paid for an insurance policy. *Net premiums written* represent premium income retained by insurance companies, direct or through reinsurance, less payments made for business reinsured. *Direct written premiums* are the amounts actually paid by policyholders.

Premium Tax: A tax, imposed by each state, on gross income of insurers doing business in a state.

Product Liability Insurance: Protection against financial loss arising out of the legal liability incurred by a manufacturer, merchant or distributor because of injury or damage resulting from the use of a covered product, or out of the liability incurred by a contractor (as a result of improperly performed work) after he has completed a job.

Rate: The pricing factor upon which the insurance buyer's premium is based.

Regulation: Supervision of business practices by a governmental entity.

Reinsurance: Assumption by one insurance company of all or part of a risk undertaken by another insurance company.

Robbery: The taking of property from a person by force or by threat of violence.

State Fund: A fund set up by a state government to provide insurance. Some statutes permit, others exclude, competition by private insurers.

Statutory Underwriting Profit or Loss: Premiums earned less losses and expenses.

Surety Bond: An agreement providing for monetary compensation in the event of a failure to perform specified acts within a stated period. The surety company, for example, becomes responsible for fulfillment of a contract if the contractor defaults.

Tornado: A whirling wind, accompanied by a funnel-shaped cloud, very violent and destructive in a narrow path, often for many miles over the land.

Umbrella Liability: Covers losses in excess of amounts covered by other liability insurance policies; also protects the insured in many situations not covered by the usual liability policies.

Underwriting Profit or Loss: The amount of money which an insurance company gains or loses as a result of its underwriting operations. A net gain or loss on underwriting operations represents a company's statutory underwriting profit less (or loss plus) any amount it may pay to its policyholders in the form of dividends.

Uninsured Motorist Protection: Covers the policyholder and family members if injured by a hit-and-run motorist or a driver who carriers no liability insurance, assuming the other driver is at fault.

Workers' Compensation Insurance: A method of providing for the cost of medical care and weekly payments to injured employees or to dependents of those killed in industry, regardless of blame.

INSURANCE, SERVICE ORGANIZATIONS

The following are among the national organizations of or supported by insurance companies, or whose activities are closely related to insurance. Also listed are certain state organizations which subscribe to the services of the Insurance Information Institute. National and state organizations which subscribe to the Institute are identified by an asterisk(*).

Alliance of American Insurers, Paul S. Wise, president, 20 North Wacker Dr., Chicago, Ill. 60606. Tel. 312-558-3700. Trade association to facilitate cooperation among fire and casualty insurance companies in matters of concern to them and their policyholders.

All-Industry Research Advisory Council, B. R. Hendrickson, executive director, 7315 Wisconsin Ave., Suite 231-W, Bethesda, Md. 20014. Tel. 301-986-1915. Provides the public and the insurance industry with timely research information relevant to public policy issues affecting risk and insurance.

American Association of Insurance Services, Melvin H. DeYoung, president, 221 N. LaSalle, Chicago, Ill. 60601. Tel. 312-236-6325. Rating, statistical and advisory organization for personal and commercial lines of insurance with membership comprised principally of small and medium size companies.

American Council of Life Insurance, Robert F. Froehlke, president, 1850 K St., N.W., Washington, D.C. 20006. Tel. 202-862-4000. Trade association responsible for the public relations, government, legislative and research aspects of the life insurance business.

American Institute of Marine Underwriters, Thomas A. Fain, president, 14 Wall St., New York, N.Y. 10005. Tel. 212-233-0550. Provides information of interest to marine underwriters, and promotes the interest of those underwriters.

American Institute for Property and Liability Underwriters, Inc., Edwin S. Overman, Ph.D., CPCU, president, Providence and Sugartown Roads, Malvern, Pa. 19355. Tel. 215-644-2100. Establishes educational standards for professional property and liability insurance underwriting; fosters training.

American Insurance Association, T. Lawrence Jones, president, 85 John St., New York, N.Y. 10038. Tel. 212-669-0400. Trade and service organization of the property and casualty insurance industry; provides a forum for the discussion of problems; provides safety, promotional and legislative services.

***American Nuclear Insurers,** Burt C. Proom, president, The Exchange, Suite 245, 270 Farmington Ave., Farmington, Conn. 06032. Tel. 203-677-7305. A nonprofit unincorporated association through which liability and property insurance protection is provided against hazards arising out of nuclear reactor installations and their operations.

American Prepaid Legal Services Institute, Alec M. Schwartz, executive director, 1155 East 60th St., Chicago, Ill. 60637. Tel. 312-947-3661. National membership organization to provide information and technical assistance to lawyers, insurance companies, administrators, marketers and consumers regarding group and prepaid legal service plans.

***Association of Fire and Casualty Companies in Texas,** Earl C. Young, executive manager, c/o Republic Insurance Group, Box 223000, Dallas, Texas 75222. Tel. 214-559-1222. Represents domestic Texas property and liability insurance companies in seeking to broaden consumer knowledge of insurance and in supporting legislation to improve the insurance business.

***Automobile Insurance Plans Service Office,** Richard J. Decker, president, 733 Third ave., New York, N.Y. 10017. Tel. 212-867-0500. Develops and files rates and provides other services for automobile insurance plans countrywide.

Casualty Actuarial Society, Jerome A. Scheibl, president, One Penn Plaza, New York, N.Y. 10019. Tel. 212-560-1018(9). Promotes actuarial and statistical science in all insurance fields except life.

College of Insurance, Dr. A. Leslie Leonard, president, 123 William St., New York, N.Y. 10038. Tel. 212-962-4111. Insurance industry-supported college providing a complete curriculum leading to bachelor's and master's degrees in business administration and a bachelor of science degree in actuarial science.

Conference of Insurance Legislators, Charles Davis, executive secretary, P.O. Box 17450, Milwaukee, Wis. 53217. Tel. 414-332-0330. Organization of chairmen of state legislative committees concerned with insurance-related matters.

Crop-Hail Insurance Actuarial Association, E. Ray Fosse, executive secretary, 209 West Jackson Blvd., Chicago, Ill. 60606. Tel. 312-922-7722. Rating and research organization and statistical agent for crop-hail insurance and rain insurance on public events, business ventures, and private proceedings.

Defense Research Institute, Inc. Donald J. Hirsch, research director, 1100 West Wells St., Suite 702, Milwaukee, Wisc. 53233. Tel. 414-272-5995. Service organization to improve the administration of justice and improve the skills of defense lawyers.

Federal Insurance Administration, Jeffrey S. Bragg, Federal Insurance Administrator, 451 Seventh St., S.W., Washington, D.C. 20410. Tel. 202-755-7894. Administers the federal flood insurance, urban property insurance and crime insurance programs.

***Fire Prevention and Engineering Bureau of Texas,** J. E. Vaughn, manager, 1320 Mercantile Securities Building, Dallas, Tex. 75201. Tel. 214-747-0681. Performs risk inspections, prepares underwriting reports, inspects fire defenses of Texas cities for members and subscribers.

Foreign Credit Insurance Association, Robert A. Keenan, president, One World Trade Center, 9th Floor, New York, N.Y. 10048. Tel. 212-432-6200. Offers credit insurance facilities for U.S. exporters through cooperation of the insurance business and the Export-Import Bank of Washington.

Health Insurance Institute, Kenneth W. White, vice president and general manager, 1850 K St., N.W., Washington, D.C. 20006. Tel. 202-862-4000. Central source of health insurance information for the public on behalf of insurance companies; monitors public attitudes and reactions to health insurance developments.

Highway Loss Data Institute, Dr. William Haddon Jr., president, Watergate Six Hundred, 600 New Hampshire Ave., N.W., Washington, D.C. 20037. Tel. 202-333-6200. Nonprofit organization to gather, process and provide the public with insurance data concerned with human and economic losses resulting from highway accidents.

Independent Insurance Agents of America, Inc., Jeffrey M. Yates, executive vice president, 100 Church St., New York, N.Y. 10007. Tel. 212-285-4250. Trade association of independent insurance agents.

***Inland Marine Underwriters Association,** Thomas A. Fain, president, 14 Wall St., New York, N.Y. 10005. Tel. 212-233-7958. Forum for discussion of problems of common concern to inland marine insurers; makes recommendations dealing with forms and legislation.

Institute for Civil Justice, Gustave H. Shubert, director, 1700 Main St., Santa Monica, Cal. 90406. Tel. 213-393-0411. Organization formed within the Rand Corporation to perform independent, objective research and analysis concerning the civil justice system.

Insurance Accounting and Statistical Association, Walter R. Mason, secretary-treasurer, Mutual Plaza, Durham, N.C. 27701. Tel. 919-683-2356. An international organization to promote the study, research and development of modern techniques in insurance accounting and statistics.

***Insurance Arbitration Forums,** Bernard L. Hines Jr., secretary, Board of Governors, 83 Maiden Lane, New York, N.Y. 10038. Tel. 212-269-2920. Industry-supported non-profit organization to arbitrate inter-company disputes.

Insurance Crime Prevention Institute, James F. Ahern, executive director, 15 Franklin St., Westport, Conn. 06880. Tel. 203-226-6347. Serves casualty insurers in the investigation of fraudulent insurance claims, other than accident, health and workers' compensation.

Insurance Information Institute, Mechlin D. Moore, president, 110 William St., New York, N.Y. 10038. Tel. 212-669-9200. An educational, fact-finding and communications organization for all lines of insurance except life and health insurance. It is supported by more than 200 insurance companies and provides services on a subscribership basis to many major industry organizations.

Insurance Institute for Highway Safety, Dr. William Haddon Jr., president, Watergate Six Hundred, 600 New Hampshire Ave., N.W., Washington, D.C. 20037. Tel. 202-333-0770. Traffic safety organization supported by automobile insurers.

Insurance Institute for Research, John W. Folk, president, 222 Mamaroneck Ave., White Plains, N.Y. 10605. Tel. 914-682-0800. An industry-sponsored institute serving as the focal point for improving electronic communications capabilities in the insurance agency system.

Insurance Institute of America, Inc., Edwin S. Overman, Ph.D., CPCU, president, Providence and Sugartown Roads, Malvern, Pa. 19355. Tel. 215-644-2100. Provides educational opportunities in property and liability insurance and related fields; provides standards for measurement of achievement; conducts research.

***Insurance Services Office,** Daniel J. McNamara, president, 160 Water St., New York, N.Y. 10038. Tel. 212-487-5000. Provides a wide range of advisory, rating, actuarial, statistical and other services relating to property and casualty insurance, including the development of policy forms, rates, premiums and related services for multiple line coverages. Offers services, including research studies, to insurers or other persons or organizations.

***Kansas Association of Property and Casualty Insurance Companies,** L. M. Cornish, secretary-treasurer, 900 Merchants Tower, 8th and Jackson Streets, Topeka, Kan. 66612. Tel. 913-232-0545. Organization representing 17 domestic insurance companies in Kansas.

***Metropolitan Chicago Loss Bureau,** Don Merchan, manager, 175 W. Jackson Blvd., Suite A1717, Chicago, Ill. 60604. Tel. 312-322-2500. Assists insurance companies with property claims adjustment and arson and fraud claims investigation.

National Association of Casualty and Surety Agents, Bruce T. Wallace, executive vice president, 5454 Wisconsin Ave., Suite 1625, Chevy Chase, Md. 20015. Tel. 301-986-4166. A trade organization dedicated to safeguarding the public interest, preserving a competitive market, and working with others for the good of the insurance business and the public.

National Association of Casualty and Surety Executives, Lawrence M. Zippin, executive secretary, 85 John St., New York, N.Y. 10038. Tel. 212-669-0400. Organization to provide insurance companies and agents with a forum for discussion of industry problems relating to the public's interest.

National Association of Health Underwriters, John K. Pardee, CAE, RHU, executive vice president, 145 North Ave., Hartland, Wisc. 53029. Tel. 414-367-3248. Professional association of persons engaged in the sale and service of disability income and hospitalization and major medical health insurance.

National Association of Independent Insurers, Arthur C. Mertz, president, 2600 River Rd., Des Plaines, Ill. 60018. Tel. 312-297-7800. Trade association of fire, casualty and surety insurers.

National Association of Insurance Brokers, Inc., Donald L. Jordan, executive director, 311 First St., N.W., Suite 700, Washington, D.C. 20001. Tel. 202-783-8880. Trade association of commercial insurance brokers.

National Association of Insurance Commissioners, Jon S. Hanson, executive secretary, 350 Bishops Way, Brookfield, Wisc. 53005. Tel. 414-784-9540. Organization of state insurance commissioners to promote uniformity in state supervision of insurance matters, and to recommend legislation in the various state legislatures.

National Association of Insurance Women, Mary Lynn Claiborne, executive director, 1847 East 15th St., Tulsa, Okla. 74104. Tel. 918-744-5195. Fosters educational programs for members. Promotes public safety and service programs.

National Association of Mutual Insurance Companies, Harold H. Walters, president, 3707 Woodview Trace, Indianapolis, Ind. 46268. Tel. 317-842-2880. Trade association of property and casualty mutual insurance companies.

National Association of Professional Surplus Lines Offices, Ltd., J. Dale Bohm, executive director, P.O. Box 1507, Roswell, Ga. 30077. Tel. 404-998-9075. Professional association of wholesale brokers, excess and surplus lines companies, affiliates and supporting members.

National Association of Surety Bond Producers, Inc., Bruce T. Wallace, executive vice president, 5454 Wisconsin Ave., Chevy Chase, Md. 20015. Tel. 301-986-4166. Trade association of surety bond producers.

National Automobile Theft Bureau, Paul W. Gilliland, president, 9730 S. Western Ave., Chicago, Ill. 60642. Tel. 312-449-2620. Conducts stolen vehicle recovery and auto theft prevention activities on behalf of the insurance industry.

National Committee on Insurance Guaranty Funds, Margaret G. McCarthy, executive secretary, 85 John St., New York, N.Y. 10038. Tel. 212-669-0400. Advisory organization to the state guaranty fund boards; gathers and disseminates information regarding insurer insolvencies.

***National Committee on Property Insurance,** Eugene L. Lecomte, president, 55 Court St., Suite 210, Boston, Mass. 02108. Tel. 617-367-5912. Provides advice and assistance to insurers writing property coverages in distressed or residual insurance markets.

***National Council on Compensation Insurance,** Kevin M. Ryan, president, One Penn Plaza, New York, N.Y. 10001. Tel. 212-560-1000. Develops and administers rating plans and systems for workers' compensation insurance.

***National Crop Insurance Association,** George A. Bender, executive vice president/general manager, 2860 South Circle Drive, Building 1, Suite 322, Colorado Springs, Colo. 80906. Tel. 303-576-5111. National trade association of insurance companies writing hail, fire and other weather perils to growing crops.

National Fire Protection Association, Robert W. Grant, president, Batterymarch Park, Quincy, Mass. 02269. Tel. 617-328-9290. Independent, nonprofit source of technical and educational information on fire protection, prevention and suppression; develops and publishes consensus fire safety standards; sponsors national Learn Not to Burn campaign.

National Safety Council, Vincent L. Tofany, president, 444 North Michigan Ave., Chicago, Ill. 60611. Tel. 312-527-4800. Provides national support and leadership in the field of safety; publishes safety materials of all kinds; conducts a public information and publicity program in support of safety.

Overseas Private Investment Corporation, Craig A. Nalen, president, 1129 20th St., N.W., Washington, D.C. 20527. Tel. 202-632-1804. Self-sustaining U.S. Government agency providing political risk insurance and finance services for U.S. investments in developing countries.

Professional Insurance Agents, Trevor A. White, executive vice president, 400 N. Washington St., Alexandria, Va. 22314. Tel. 703-836-9340. Trade association of insurance agents.

Property-Casualty Insurance Council, Robert B. Wilcox, president, 1st National Plaza, Suite 2730, Chicago, Ill. 60603. Tel. 312-236-7124. Organization of property and casualty insurance associations and companies to provide a forum for discussion of major issues and to facilitate coordination and cooperation in dealing with those issues, and to develop and recommend programs in research and in consumer and legislative information.

***Property Insurance Plans Service Office,** Eugene L. Lecomte, president, 55 Court St., Suite 210, Boston, Mass. 02108. Tel. 617-367-5912. Provides technical and administrative services to the various state property insurance plans.

Reinsurance Association of America, Charles W. Havens III, president, 1025 Connecticut Ave., N.W., Suite 512, Washington, D.C. 20036. Tel. 202-293-3335. Trade association of property and casualty reinsurers; provides legislative services for members.

Risk and Insurance Management Society, Inc., Ron E. Judd, executive director, 205 East 42nd St., New York, N.Y. 10017. Tel. 212-286-9292. Organization of corporate buyers of insurance which makes known to insurers the insurance needs of business and industry, and which supports loss prevention and provides a forum for the discussion of common objectives and problems.

Society of Certified Insurance Counselors, William T. Hold, Ph.D. CIC, CPCU, CLU, president, 3630-C North Hills Drive, Austin, Texas 78731. Tel. 512-345-7932. National education program in property, liability and life insurance, with a continuing education requirement upon designation.

Society of Chartered Property and Casualty Underwriters, James W. Hamilton, CPCU, executive vice president, Kahler Hall, Providence Rd., (CB No. 9), Malvern, Pa. 19355. Tel. 215-648-0440. Professional society to foster the higher education of those engaged in insurance and risk management; encourages and conducts research.

Society of Insurance Research, J. Wesley Ooms, president, Box 933, Appleton, Wisc. 54912. Stimulates insurance research and fosters exchanges among society members on research methodology.

***Surety Association of America,** Lloyd Provost, general manager, 100 Wood Ave. South, (Metro-Park), Iselin, N.J. 08830. Tel. 201-494-7600. Statistical, rating, development and advisory organization and forum for surety companies.

***Texas Automobile Insurance Plan,** H. L. Begeman, general manager, 404 Brown Building, Austin, Texas 78701. Tel. 512-477-5322. Provides market for drivers unable to obtain liability insurance through commercial channels.

***Texas Automobile Insurance Service Office,** James F. Devereux, general manager, Suite 130, One LaCosta, 1016 La Posada Dr., Austin, Tex. 78752. Tel. 512-458-6347. Insurers' organization licensed to advise the State Insurance Board on auto forms, rates, rating procedures, classifications and coverages.

***Texas Catastrophe Property Insurance Association,** Roy Hoga, acting manager, P.O. Box 2930, Austin, Tex. 78769. Tel. 512-444-9611. Established by state legislature to provide back-up source for windstorm insurance in high risk area (14 coastal counties).

***Texas Insurance Advisory Association,** Tom B. Lee, general manager, P.O. Box 15, Austin, Tex. 78782. Tel. 512-444-9611. Insurers' organization to advise the State Insurance Board on property forms, rates, rating procedures and coverages.

***Texas Medical Liability Insurance Underwriting Association,** James A. Johnston, CPCU, general manager, 200 One La Costa, 1016 La Posada Dr., Austin, Tex. 78752. Tel. 512-452-4370. Established by legislature to provide source for medical malpractice insurance.

***Texas Workers' Compensation Assigned Risk Pool,** James A. Johnston, CPCU, general manager, 200 One La Costa, 1016 La Posada Dr., Austin, Tex. 78752. Tel. 512-458-9181. Provides workers' compensation insurance when unavailable through commercial channels.

Underwriters' Laboratories, Inc., Jack Bono, president, 333 Pfingsten Road, Northbrook, Ill. 60062. Tel. 312-272-8800. Investigates and tests electrical materials and other products to determine that fire prevention and protection standards are being met.

Underwriters Salvage Company, Christopher Knowlef, chairman of the board, 1400 Busse Rd., Elk Grove Village, Ill. 60007. Tel. 312-437-8181. Assists insurers in adjustment of losses through the reclamation, reconditioning and disposition of damaged goods.

***Washington Insurance Council,** Ralph Jones, president, 1218 Third Ave., Seattle, Wash. 98101. Tel. 206-624-3927. Provides education and information services to the public and to insurance companies, producer organizations and other professional insurance groups.

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- Vigilant Insurance Co.

Commercial Union Insurance Companies
- American Employers' Insurance Co.
- Bishop Insurance of Hawaii, Inc.
- Commercial Union Insurance Co.
- Commercial Union Surplus Lines Insurance Co.
- The Employers' Fire Insurance Co.
- The Northern Assurance Co. of America

The Continental Insurance Companies
- Boston Old Colony Insurance Co.
- The Buckeye Union Insurance Co.
- Commercial Insurance Co. of Newark, New Jersey
- The Continental Insurance Co.
- Continental Reinsurance Corporation
- Equitable Fire Insurance Co.
- The Fidelity & Casualty Co. of New York
- Firemen's Insurance Co. of Newark, New Jersey
- First Insurance Co. of Hawaii, Ltd.
- The Glens Falls Insurance Co.
- Kansas City Fire & Marine Insurance Co.
- London Guarantee & Accident Co. of New York
- National-Ben Franklin Insurance Co. of Illinois
- National-Ben Franklin Insurance Co. of Michigan
- Niagara Fire Insurance Co.
- Phoenix Assurance Co. of New York

Crum and Forster Companies

U.S. Insurance Group
- Alliance Insurance Co.
- International Insurance Co.
- The North River Insurance Co.
- United States Fire Insurance Co.
- Westchester Fire Insurance Co.

Industrial Indemnity Companies
- Industrial Indemnity Co.
- Industrial Indemnity Co. of Alaska
- Industrial Indemnity Co. of the Northwest
- Industrial Insurance Co.
- Industrial Insurance Co. of Hawaii, Ltd.
- Industrial Underwriters Insurance Co.

Cumis Insurance Society, Inc.

Dodson Insurance Group
- Casualty Reciprocal Exchange
- Equity Mutual Insurance Co.
- Reciprocal Exchange

Employers Reinsurance Corporation

Excelsior Insurance Co. of New York

Fireman's Fund Insurance Companies
- American Automobile Insurance Co.
- The American Insurance Co.
- Associated Indemnity Corporation
- Fireman's Fund Insurance Co.
- Fireman's Fund Insurance Co. of Texas
- National Surety Corporation
- National Surety Corporation of California
- San Francisco Insurance Co.

Foundation Reserve Companies
- Foundation Reserve Insurance Co., Inc.
- Lloyds of New Mexico Insurance Co.

General Accident Group
- The Camden Fire Insurance Association
- General Accident Fire & Life Assurance Corporation, Ltd.
- Pennsylvania General Insurance Co.
- Potomac Insurance Co.

General Reinsurance Group
- General Reinsurance Corporation
- North Star Reinsurance Corporation

The Hartford Mutual Insurance Co.

The Hartford Insurance Group
- Hartford Accident and Indemnity Co.
- Hartford Casualty Insurance Co.
- Hartford Fire Insurance Co.
- New York Underwriters Insurance Co.
- Pacific Insurance Co., Ltd.
- Sentinel Insurance Co., Ltd.
- Twin City Fire Insurance Co.

The Hartford Steam Boiler Inspection and Insurance Co.

Hochheim Companies
- Hochheim Prairie Casualty Insurance Co.
- Hochheim Prairie Farm Mutual Insurance Assn.

The Home Group, Inc.
- Home Insurance Companies
- Seaboard Surety Co.

INA Companies
- Alaska Pacific Assurance Co.
- Allied Insurance Co.
- Bankers Standard Fire and Marine Co.
- Bankers Standard Insurance Co.
- Illinois Union Insurance Co.
- INA Insurance Co. of Illinois
- INA Insurance Co. of Ohio
- INA of Texas
- INA Underwriters Insurance Co.
- Indemnity Insurance Co. of North America
- Insurance Co. of North America
- Pacific Employers Insurance Co.

Kemper Group
- American Manufacturers Mutual Insurance Co.
- American Motorists Insurance Co.
- American Protection Insurance Co.
- Economy Fire & Casualty Co.
- Economy Preferred Insurance Co.
- Federal Kemper Insurance Co.
- Iowa Kemper Insurance Co.
- Kemper County Mutual Insurance Co. of Dallas
- Kemper Security Insurance Co.
- Lumbermens Mutual Casualty Co.
- National Auto and Casualty Insurance Co.
- Sequoia Insurance Co.

The Maryland
- American General Fire and Casualty Co.
- American General Insurance Co.
- American General Lloyds
- Assurance Co. of America
- Maine Bonding and Casualty Co.
- Maryland Casualty Co.
- National Standard Insurance Co.
- Northern Insurance Co. of New York
- Steadfast Insurance Co.
- Valuant Insurance Co.

Merchants Insurance Group
- Merchants Insurance Co. of New Hampshire, Inc.
- Merchants Mutual Insurance Co.

The Merchants Property Insurance Co. of Indiana

Millers National-Illinois Group
- Illinois Insurance Co.
- Millers National Insurance Co.

Munich American Reinsurance Group
- Munich American Reinsurance Co.
- Munich Reinsurance Co.

Nationwide Insurance Companies
- Nationwide General Insurance Co.
- Nationwide Mutual Fire Insurance Co.
- Nationwide Mutual Insurance Co.
- Nationwide Property and Casualty Insurance Co.

North American Reinsurance Group
- North American Reinsurance Corporation
- Swiss Reinsurance Co.-U.S. Branch

Pennsylvania National Mutual Casualty Insurance Co.

Ranger Insurance
- Ranger County Mutual Insurance Co.
- Ranger Insurance Co.
- Ranger Lloyds

The Reinsurance Corporation of New York

Reliance Insurance Companies
- General Casualty Co. of Illinois
- General Casualty Co. of Wisconsin
- Planet Insurance Co.
- Regent Insurance Co.
- Reliance Insurance Co.
- Reliance Insurance Co. of Illinois
- Reliance Insurance Co. of New York
- Reliance Lloyds
- United Pacific Insurance Co.
- United Pacific Insurance Co. of New York

Republic Insurance Group
- Blue Ridge Insurance Co.
- Home Owners Insurance Co.
- Republic Insurance Co.
- Republic Underwriters Insurance Co.
- Republic-Vanguard Insurance Co.
- Vanguard Insurance Co.
- Vanguard Underwriters Insurance Co.

Royal Insurance
- American and Foreign Insurance Co.
- Globe Indemnity Co.
- Newark Insurance Co.
- Royal Indemnity Co.
- Royal Insurance Co. of America
- Safeguard Insurance Co.

Rumford Property and Liability Insurance Co.

Safeco Insurance Companies
- First National Insurance Co. of America
- General Insurance Co. of America
- Safeco Insurance Co. of America
- Safeco National Insurance Co.

The St. Paul
- St. Paul Fire & Marine Insurance Co.
- St. Paul Guardian Insurance Co.
- The St. Paul Insurance Co.
- The St. Paul Insurance Co. of Illinois
- St. Paul Mercury Insurance Co.
- St. Paul Surplus Lines Insurance Co.

Scor Reinsurance Co.

Security Insurance Group
- The Connecticut Indemnity Co.
- The Fire & Casualty Insurance Co. of Connecticut
- Security Insurance Co. of Hartford

Selected Risks Group
- Selected Risks Insurance Co.
- Select Way Insurance Co.

Skandia Group
- American European Reinsurance Corp.
- Hudson Insurance Co.
- Skandia America Reinsurance Corporation

The Travelers Insurance Companies
- The Charter Oak Fire Insurance Co.
- The Phoenix Insurance Co.
- The Travelers Indemnity Co.
- The Travelers Indemnity Co. of America
- The Travelers Indemnity Co. of Illinois
- The Travelers Indemnity Co. of Rhode Island
- The Travelers Insurance Co.

Trenwick Reinsurance Co., Ltd. (Associate Member)

United States Fidelity and Guaranty Co.

Utica National Insurance Group
- Graphic Arts Mutual Insurance Co.
- Utica Mutual Insurance Co.

The Western Insurance Companies
- The Western Casualty and Surety Co.
- The Western Fire Insurance Co.
- The Western Indemnity Co., Inc.

*As of November 1, 1981

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